



# ***Daily Report***

## **China**

FBIS-CHI-91-213  
Monday  
4 November 1991

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4 November 1991

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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General

Further Reportage on Mideast Peace Conference

Lebanese Rejection of Linkage Noted

OW0111122791 Beijing XINHUA in English  
1027 GMT 1 Nov 91

[Report by Yu Dabo]

[Text] Madrid, November 1 (XINHUA)—Lebanon today turned down an Israeli proposal calling for removing the Syrian presence on its soil in exchange for Israel's withdrawal from the south.

Lebanese Foreign Minister Faris Buwayz, speaking on the third day of the Mideast peace conference, said Lebanon rejects the Israeli attempt to link its withdrawal from southern Lebanon with the removal of Syrian troops from the country.

"U.N. Resolution 425 should be implemented today, not tomorrow, since this would provide an incentive for the peace conference to succeed and would pave the way for the settlement of the region's problems," Buwayz said.

The resolution calls on Israel to withdraw unconditionally from southern Lebanon.

Buwayz said the Israeli attempt to impose the linkage "is a clear rejection of U.N. Resolution 425."

Buwayz's speech came shortly after Israel's Prime Minister Yitzhaq Shamir said at the conference that Israel has no claims to Lebanese territories, indicating Israel would pull out from southern Lebanon once the Syrian forces withdrew from that country.

"It is more important and more constructive to negotiate the present than the future," the Lebanese foreign minister said.

The Syrian presence in Lebanon, he said, is not an interference in Lebanese internal affairs but a factor to "support legitimacy and consolidate unity" of Lebanon.

Syria maintains an estimated 35,000 troops in Lebanon under a 1976 Arab League peace-keeping mandate to help end the country's civil war. It signed a treaty of "brotherhood, cooperation and coordination" with Lebanon not long after the war came to a halt early this year.

"As long as southern Lebanon is under the occupation of Israel, the independence of Lebanon would not be complete," the foreign minister said, referring to Israel's control of a 1,100-square-kilometer "security zone" carved out in 1985 to deter what Israel claims Arab guerrilla infiltrations into its northern territory.

Buwayz said Lebanon also rejects any other Israeli attempt to link its withdrawal with any other element or factor. He did not go into details.

Egyptian Foreign Minister's Statement

OW0111122891 Beijing XINHUA in English  
1149 GMT 1 Nov 91

[Report by Li Zhurun]

[Text] Madrid, November 1 (XINHUA)—Egypt is to play a role of mediator throughout the Middle East peace process, Foreign Minister 'Amr Musa said here today.

The only Arab country with a peace treaty with Israel, Egypt will perform such a role until "methods are found to achieve peace" in the region, Musa said.

Addressing the closing session of the Middle East peace conference which started Wednesday, he asked participants at the parley to stop exchanging charges and counter-charges.

"We are here for negotiations and we should try to make them a success," he said.

Meanwhile, Musa blamed Israeli Prime Minister Yitzhaq Shamir for not speaking the "language of peace" when addressing the conference earlier in the day.

Shamir launched a bitter accusation against Syria, calling it the "home of a host of terrorist organizations" and "one of the most oppressive, tyrannical regimes in the world."

Syrian Foreign Minister Faruq al-Shar', on his part, launched a counter-charge against Israel, accusing Shamir of being a "terrorist" himself.

Musa called for respect for the legitimate rights of all countries in the region, including Israel. This is the necessary condition for achieving peace in the Middle East, he added.

He asked the Jewish state to respect the Palestinian people's right to self-determination.

Meanwhile, he called for a stop of discussing the "status" of Israel, apparently referring to the fact that some Arab countries, instead of recognizing Israel as a sovereign state, call it the "Zionist entity."

"Peace is above everything," he declared. "We should continue our search for peace."

But the peace being sought must be a just, viable peace, a peace "unquestionably based on U.N. Resolutions 242 and 338" which call on Israel to withdraw from war-won Arab lands in exchange for peace with the Arabs.

Syria Denounces Israeli Attitude

OW0111123091 Beijing XINHUA in English  
1125 GMT 1 Nov 91

[Report by Yu Dabo]

[Text] Madrid, November 1 (XINHUA)—Syrian Foreign Minister Faruq al-Shar' today lashed out at Israel for

derailing the Mideast peace conference, citing the early departure of Prime Minister Yitzhaq Shamir as head of the Israeli delegation.

Shamir left the conference immediately after making the first speech on the third day of the conference, saying he had to return to Israel for the Sabbath, the Jewish holy day of rest.

Al-Shar' said that Shamir's departure demonstrated Israel's ill-will to disrupt the conference.

Al-Shar' denounced Shamir for failing to demonstrate a single indication of faith and sincerity in peace.

"He (Shamir) left the question of land for peace, or never mentioned U.N. Resolutions 242 and 338, based on which the conference is convened," al-Shar' said referring to Shamir's speeches on Thursday and Friday.

"The Israeli delegation is speaking about peace without any substance," he added.

Al-Shar' was speaking without referring to the prepared written text of his speech. He said he had to give immediate response to Shamir's provoking speech this morning, in which Shamir listed Syria as "one of the most oppressive, tyrannical regimes in the world."

Al-Shar' dismissed Western reports that Syria was devoid of flexibility concerning the peace process.

He also dismissed Israeli allegations that Syria engaged in and championed terrorism, saying Syria "always wants to focus on peace for which we have come."

Much of al-Shar' s speech, which surpassed the required 15 minutes, was devoted to the history of Palestine.

He said Palestinians had lived on the land of Palestine long before Jews came, refuting Shamir's claim that the land has belonged to Israel for nearly 4,000 years.

### Peace Conference Continues

OW0211040391 Beijing XINHUA in English  
0109 GMT 2 Nov 91

[ "Peace Parley as Planned, But Peace—When? (by Li Zhurun)" —XINHUA headline ]

[Text] Madrid, November 1 (XINHUA)—The Middle East peace conference proceeded as planned, to the obvious satisfaction of its sponsors, the United States and Soviet Union.

But the old question is still there: When peace could be reached in that region?

No one walked away as the sponsors had feared. After much diplomatic wrangling, Israel agreed to start direct talks on Sunday in Madrid, separately with Syria, Lebanon and the joint Jordanian-Palestinian delegation.

All the parties expressed willingness to continue the search for peace. Jordanian Foreign Minister Kamil Abu-Jabir

even held "the Nazis and others" responsible for unleashing the "passion of injured Zionism" which led to the birth of the Jewish state.

Speeches of Palestinian delegation leader Haydar 'Abdal-Shafi were stamped by PLO chairman Yasir 'Arafat. Throughout the meeting, the Palestinian delegation was in constant touch with 'Arafat, the deadliest enemy to Israel.

The Israelis pretended not to know. Just a few days ago they had said that they would quit the conference if any of the Palestinian delegates identified himself with the PLO.

A team of American, Soviet and Spanish officials and experts managed to address every protocol detail in order not to irritate anybody. Their work paid off.

But, even if there were hitches, the gathering could still speak for itself. Just think: The Arabs and Israelis, irreconcilable enemies for more than 40 years, could one day sit across a T-shaped table in Spain's Royal Palace in quest of peace.

For decades, agreement on whether to negotiate, on what to negotiate and on how to negotiate had "eluded the parties," said Baker, who had made eight hectic trips to the Middle East to bring Israel and its Arab adversaries to the negotiation table.

The parties, he added, finally "came to understand the need to engage concretely and pragmatically to resolve problems."

But it would be premature to predict quick results in the bilateral and multilateral talks to follow the peace parley, given the depth of the Arab-Israeli division.

The "horses", so to speak, were driven to the "river", thanks to Baker's diplomatic maneuvers characterized by pressure and assurances.

But even Baker himself was not sure whether the "horses" could some day start "bolting" again.

As a matter of fact, the "horses" are not to be ordered around. Just this morning, Shamir and Syrian Foreign Minister Faruq al-Shar' flung mud at each other, prompting fear that either Shamir or al-Shar'—or both—would walk out in protest.

The conflict is still there: The Arabs want return of their lands lost to Israel in the 1967 Middle East war while Israel wants recognition of its legitimacy through formal, binding peace treaties without having to make territorial concessions in the first place.

Shamir invited Arab leaders to go to Israel and offered to visit their capitals for direct talks, talks "without preconditions" and free from interference of "outsiders."

No one responded. Instead, the Arabs all demand implementation of U.N. Resolutions 242 and 338 which call on Israel to give up lands under its occupation in exchange for peace with the Arabs.

The Palestinians accepted the formula of self-rule. Meanwhile, they demanded that the formula must eventually lead to their self-determination. "The illegally occupied Arab and Palestinian lands must be restored to their rightful owners," said Shafiq.

This angered the Israelis. The Palestinian demand amounted to a design to "dismantle" Israel, said Israeli Deputy Foreign Minister Binyamin Netanyahu.

Lebanese Foreign Minister Faris Buwayz demanded Israeli withdrawal from south Lebanon, where Israel has maintained a "security zone" since 1985, allegedly to ward off cross-border guerrilla attacks on its north.

No problem, but not until Syria withdraws its troops from your country—that was Shamir's reply.

Baker asked both parties—Israel and the Arabs—to take the initiative in extending gestures of reconciliation.

When asked to comment at a press conference, Syrian Foreign Minister Faruq al-Shar' said that the best gesture Israel could possibly extend would be a total withdrawal from the occupied territories.

The presidents of both sponsors, the U.S. and Soviet Union, called for "mutual compromise." Baker, meanwhile, complained about failure of the parties to take confidence building measures and achievement of a "balance of interests" in search for peace.

The "balance," so to speak, depends on what Baker summarized as three inter-related elements, namely, peace, land and security.

Give me security and I'll give you peace, says Israel.

Return our lost lands and I will give you security, the Arabs tell Israel.

Again this old puzzle: Which comes first, the egg or the chicken?

#### Commentary on Conference

OW0211065491 Beijing XINHUA Domestic Service  
in Chinese 0445 GMT 2 Nov 91

[("Commentary: The First Step Toward Peace in the Middle East"—by XINHUA reporters Gao Qiufu (7559 4428 4395) and Yu Dabo (0060 1129 3134)]

[Text] Madrid, 1 Nov (XINHUA)—The weather in Madrid has been changeable and unpredictable these days. But even more unpredictable is the future of the Middle East peace conference taking place here. Although representatives of Arab countries and Israel, which have engaged in confrontation for over 40 years, have carried out vigorous debates and the distance between the positions of both sides is great, the conference has not yet broken down.

During the three-day conference, representatives of Arab countries and Israel have put forth their respective positions on settling the Middle East issue. Just as people

have anticipated, both sides, which have many years of deep-rooted grudges between them, cannot refrain from letting their emotions get the better of their reason or from waging tit-for-tat battles of words against one another when they sit together for the first time at the conference. However, the conference itself is unusual because both sides have broken the longstanding taboo of having no contacts and no negotiations with each other. Observers here maintain that this is "the first courageous step" the two sides have made on the path of seeking a settlement of the Middle East issue. Since the relevant parties have complied with the world trend of settling regional conflicts through negotiations and dialogue, the significance of this conference should not be underestimated.

Seen from the remarks uttered at the conference, both Arab countries and Israel have clung to their respective views and have not made any concession on issues of principles. Arab countries insist that Israel should implement UN Security Council's Resolutions 242 and 338 and withdraw from Arab territories it has been occupying since the Middle East War in 1967 in order to "trade peace for land." On the ground that the land is essential for its "security," Israel refuses to return these areas and demands to "trade peace with peace" by signing individual peace treaties with Arab countries. Land, peace, and security are three issues that are interrelated and entangled. It seems that this "Gordian knot entangling Middle East peace" cannot be untied within a short time.

Ending confrontation and achieving peace and development are the common aspirations of people of all countries in the Middle East. While both Arab countries and Israel have looked tough in their formal speeches, they have in fact demonstrated a varying degree of flexibility. Although Palestinian representatives and representatives of Jordan attend the conference as one joint delegation, the Palestinian delegation in fact enjoys the treatment of an independent delegation at the conference. Although Israel has expressed dissatisfaction, it has not expressed strong opposition. Representatives of Israel and Jordan have hinted that there is hope the two countries may sign an individual peace treaty. Syria has declared for the first time that, as long as Israeli troops withdraw from the Golan Heights area it occupies, it may agree to sign a security accord with Israel. Arab countries and Israel used to hold vastly different views on the location of bilateral talks—the second-stage of the peace conference. On the grounds that the Middle East issue is a regional issue, Israel proposed that the talks should be held locally. The Arab side maintains that the talks are a continuation of the peace conference and that it has international significance and should therefore be held in Madrid. Now both sides have reached an initial accord and agreed that further consultations be conducted in Madrid on 3 November in connection with bilateral talks. This has prevented the danger of killing the Middle East peace talks prematurely because of procedural problems.

After many years of hostilities, Arab countries and Israel can hardly be expected to show more readiness for reconciliation when they sit at the negotiation table for the first time. People maintain that it seems that both

sides should take the initiative of eliminating hostility and suspicion and increase the sense of mutual trust, taking the peace conference as the starting point. Specifically because of this, the United States and the Soviet Union—sponsors of the conference—have called on Arab countries and Israel to "make concessions" so that the Middle East peace conference that has just started in Madrid can maintain its momentum.

The Middle East issue is a highly complex issue that cannot be resolved overnight. Some commentators have pointed out that the course toward Middle East peace is a long and thorny one. But the wish for peace is also strong among people in the Middle East and the trend is irresistible. People have reason to believe that peace in the Middle East are absolutely not hopeless even though it is also not very close.

#### Officials Reserve Comment

HK0211073091 Hong Kong AFP in English 0658 GMT 2 Nov 91

[Text] Beijing, Nov 2 (AFP)—China has made no comment on the outcome of the first phase of the Madrid peace conference, a silence which analysts here say demonstrates its inability to make itself heard in the Middle East conflict.

No Chinese leader has spoken about the conference since it opened Wednesday [30 October] in the Spanish capital, even though the government here would like to be associated with any eventual settlement.

The Chinese press has limited its coverage to factual reports of the speeches. "As the conference enters its second phase, the problems remain identical," the PEOPLE'S DAILY said Saturday in a report from Madrid.

The official XINHUA news agency has reported factually and impartially the speeches of all the participants, including those of the conference's two co-organizers, the United States and the Soviet Union.

This discretion showed Beijing's concern at treating the protagonists carefully and its own inability to participate in the debate, a diplomatic source said.

China, a permanent member of the U.N. Security Council, has clearly indicated it would like to be associated with any Middle East peace settlement. However, it has made no concrete proposals on possible ways of arriving at such an outcome.

Having only begun to slowly and painfully emerge from the international isolation that followed the June 1989 Beijing massacre, Beijing sat on the sidelines during the Gulf war, confining itself to calls for moderation and a peaceful solution.

Officially Beijing supports the goals of the Palestinian Liberation Organization and maintains good relations with the Arab countries. But it has also been fostering links with Israel, with which it has no diplomatic relations. China

officially acknowledged October 10 that officials from the Israeli Foreign Ministry had held talks for the first time with their counterparts in Beijing earlier in the month.

Israeli Foreign Minister David Levy several days later announced a forthcoming visit by his Chinese counterpart Qian Qichen to Tel Aviv, an announcement China did not deny.

#### Intention To Continue Talks Noted

OW0211180291 Beijing XINHUA in English  
1552 GMT 2 Nov 91

[By Gao Qiuju and Yu Dabo: "Venue of Mideast Bilateral Talks, New Focus of Bargaining"—XINHUA headline]

[Text] Madrid, November 2 (XINHUA)—Although the Mideast peace conference ended as scheduled Friday, closed-door consultations and bargaining continued today over the venue of bilateral talks between the conflicting parties concerned.

Israel and its Arab adversaries have agreed to start the first round of bilateral talks in Madrid Sunday to discuss where further bilateral talks would be held.

"Further bilateral talks would be held neither in Israel nor in any Arab country," Marwan al-Mu'ashir, spokesman of the Jordanian delegates, told XINHUA today.

Al-Mu'ashir said Arab delegations were making consultations among themselves and with the United States and Soviet Union to come to a decision.

The dispute about the site to continue negotiations between Israel and its Arab adversaries threatened Friday to disrupt the whole peace process.

The Arabs prefer Madrid or any other place outside the Middle East as an ideal venue to keep the regional conflict as an international one, but Israel wants to conduct the talks inside the region to avoid international involvement.

The Arab states have refused Israel's invitation to go to the Jewish state for talks. For them, traveling to Israel or welcoming Israeli delegates to their own countries would mean a political recognition of Israel as a sovereign state and its right to exist.

Al-Mu'ashir, however, said Jordan was flexible about the venue although it was not in favor at the moment of conducting the talks in Israel.

"We are committed to attending the bilateral talks," al-Mu'ashir said.

He did not rule out the possibility that Jordanian King Husayn and Israeli leaders might exchange visits in case something substantive has been achieved in future negotiations. He did not go into details.

Al-Mu'ashir said there was coordination about the issue of venue between the Jordanian and Palestinian delegates who form a joint delegation to the conference.

His remarks indicated differences among the Arab delegations over where further bilateral talks would be held following the Sunday meeting.

Among the Arab states, Syria has demonstrated the strongest opposition to the Israeli suggestion that the talks be launched in Madrid and then shift to the Middle East.

Syrian Foreign Minister Faruq al-Shar' told reporters after the end of the three-day peace conference that the Israeli demand was "unjustified" and Syria would not accept it.

Organizers of the conference have proposed Cairo as the venue, but Muacher said the suggestion had been dropped now.

He hinted that the Arabs would prefer Washington or Nicosia, Cyprus, as the site.

Muacher said he did not think Syria would walk out of the talks once they started, adding that if Syria really did so, Jordan would not follow suit.

"To achieve peace, some party must make compromises," he said.

A Lebanese official source, meanwhile, told XINHUA today that Lebanon's participation in bilateral talks would depend on the general consensus of all the Arab delegations.

He said on condition of anonymity that Lebanon's position "is in coordination with all the other Arabs" instead of a single party, defusing rumors that Lebanon would walk out if Syria withdrew.

#### Egypt's Mubarak Cited on Talks

OW0211183491 Beijing XINHUA in English  
1650 GMT 2 Nov 91

[Text] Cairo, November 2 (XINHUA)—President Husni Mubarak predicted today that the Arab-Israeli bilateral peace talks will take place in the United States following the scheduled initial session in Madrid Sunday.

"I believe it has been proposed that the parties initially sit in Madrid and then move to the United States," he told reporters in the Suez Canal city of Ismailiya after returning from talks in Madrid, Spain, the official Middle East News Agency MENA reported.

Mubarak said he did not believe the exchange of name calling between Israel and Syria on Friday, the last day of the first stage of the Madrid international peace conference on Mideast peace, will wreck the negotiating process sponsored by the United States and Soviet Union.

"I hope they will get down to peacemaking and avoid arguing whether the site should be Madrid or Geneva," he said. "Let us discuss substance. We have wasted much time."

Reports from Madrid said Syria and Lebanon had not announced whether they will hold direct talks with Israel along with the joint Palestinian-Jordanian delegation.

Mubarak said he called Syrian President Hafiz al-Asad Friday night to exchange views on the next step concerning the bilateral talks. No more details were available.

When asked whether Egypt is ready to host the bilateral talks since the Arabs and Israel remain divergent on the site of future meeting, the Egyptian president said he will agree to host the bilateral negotiations in Cairo as a compromise.

But Mubarak did not show much enthusiasm about the idea, and indicated the United States will be a proper place for the meeting.

He said it would be difficult, "at least in the early stage," for the Arabs to accept an Israeli suggestion that the bilateral talks rotate between Israel and the Arab countries involved.

"The Israelis should understand this and should not be intransigent and insist on having talks in Israel," he said. "Anyway, the talks afterward will be in the United States."

He said he did not expect any Arab delegation to boycott the bilateral talks. If that happens, "the question then arises," he added.

#### Arabs To Plan Joint Strategy

OW0211215391 Beijing XINHUA in English  
2053 GMT 2 Nov 91

[Text] Tunis, November 2 (XINHUA)—A high-ranking official of the Palestine Liberation Organization (PLO) said here today that six Arab countries will join them in a meeting to plan strategy for bilateral talks with Israel.

Reports reaching here quoted Yasir 'Abd-Rabbuh, chief of the PLO's Information Department, as saying that the countries includes Jordan, Syria, Lebanon, Egypt, Saudi Arabia and Morocco, but the date and place for the meeting were not fixed.

Morocco will represent the five-nation Arab Maghreb Union (AMU) while Saudi Arabia represents the six-nation Gulf Cooperation Council (GCC) as it did at the multilateral Middle East talks in Madrid which opened on October 30.

The five AMU states in North Africa are Algeria, Libya, Mauritania, Morocco and Tunisia. The GCC member states include Oman, the United Arab Emirates, Qatar, Bahrain, Kuwait, and Saudi Arabia.

PLO Chairman Yasir 'Arafat earlier urged the Arab countries to take a united stand against "Israeli intransigence."

After a meeting with Tunisian President Zine El Abidine Ben Ali today, 'Arafat told reporters that "Arab countries must come together to install a just and global peace and establish a Palestinian state with al-Quds (Jerusalem) as its capital."

He said he had reached agreement with the Tunisian president on consolidating Palestinian position and Arab stance, noting that AMU's participation in the talks is for this objective.

**PLO Official Cited on Bilateral Talks**

OW0211215491 Beijing XINHUA in English  
1839 GMT 2 Nov 91

[Text] Tunis, November 2 (XINHUA)—A senior official of the Palestine Liberation Organization (PLO) said today the bilateral peace talks between Israel and Palestinians should be conducted in Madrid, Spain.

Mahmud 'Abbas, a member of the PLO's decision-making Executive Committee, urged the United States to press Israel to enter direct talks with the Palestinians in the Spanish capital of Madrid.

"It's preferable that the negotiations continue in Madrid, or Washington, and not in the Middle East, where the dialogue would signify normalization (of Israeli-Arab relations) before the solution," he said.

'Abbas called on Arab states to refuse "the process of normalization with Israel before a solution is found to the fundamental problem of Palestine."

Israel had demanded future bilateral talks with the Arabs be held in the Middle East, where the bilaterals will alternate their venues of meeting between Israel and the Arab countries concerned.

But most of the Arabs have insisted the next phase of negotiations take place in Madrid, or places outside the Middle East region.

Israel and the Arabs will meet for their first bilateral talks in Madrid Sunday to decide what to do next.

**Commentary Views Positions at Talks**

HK0411060891 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 4 Nov 91 p 6

[Commentary by Zhong Dongchu (0112 0392 2806): "A Difficult Step—Commenting on First-Stage Middle East Peace Conference"]

[Text] The opening ceremony for the three-day Middle East peace conference ended on 2 November in Madrid, Spain. The conference is an important attempt between the Arab states and Israel, under the influence of the development of the current international situation and promoted and brought together by relevant parties, to seek ways to resolve disputes through political means for the first time since the Camp David Agreement signed between Egypt and Israel in 1978. This means that the first difficult step in the settlement of the Middle East issue, which has continued for over 40 years, has been taken.

At the opening ceremony, all parties stated their views and positions, making necessary preparations for bilateral talks in the second stage of the conference. Jordanian representatives from the Jordanian-Palestinian delegation stressed that the Middle East issue had to be resolved on the basis of UN Security Council Resolutions 242 and 338, and hoped that hostility and the state of war between the Arab states and Israel would be ended. Palestinian representatives

demanded that Israel adopt measures to build up confidence by suspending the building of Jewish settlements and by agreeing on the principle of "exchanging land for peace." Syria demanded that Israel return all occupied Arab territories. EC and Egyptian representatives stressed that the peace conference should be based on UN Security Council Resolutions 242 and 338 and urged Israel to withdraw from the occupied Arab territories in exchange for peaceful coexistence with the Arab states. However, Israeli Prime Minister Shamir disagreed that the land issue should be the focus of the current peace talks, maintaining that the Arab states and Israel should first build up confidence, remove the danger of conflicts, and develop Arab-Israeli relations in a widest possible scope. In careful wording, U.S. President Bush urged the Arab and Israeli sides to make concessions on the land issue and seek a just peaceful proposal that ensures the security of all sides on the basis of relevant UN resolutions. Although neither side made any concessions on their original positions, they adopted a comparatively self-controlled attitude. This reflects, to a certain extent, the actual hope of all participating parties that the peace talks can be continued.

Israel and relevant Arab states have agreed to continue the second-stage direct bilateral talks in Madrid on 3 November. The talks will be held in three separate groups: Israel-Syria, Israel-Lebanon, Israel-Jordan and Palestine. In this way, the peace conference will enter a stage of substantial talks. The Arab states and Israel have been on unfriendly terms and have heaped up enmity for decades, and the Middle East issue involves many other problems and is unusually complicated. In addition, various sides have different objectives and especially they hold different positions on the core issue of "land." Therefore, the second-stage peace talks will be arduous and complicated. For the final, just, and reasonable settlement of the Middle East issue, a huge effort has yet to be made. Peace and development are the common aspirations of the people of all Middle Eastern states. We hope that relevant parties will conform to the trend of the times, seize the historical opportunity, take a flexible and practical position, and make their own contributions to eliminating this world "hot issue."

**Israel, Arab States Begin Bilateral Talks****Syria, Lebanon To Attend**

OW0311144191 Beijing XINHUA in English  
1352 GMT 3 Nov 91

[By Li Zhurun and Liu Lianxiang]

[Text] Madrid, November 1 (XINHUA)—Syria and Lebanon are to attend their bilateral talks with Israel at 14:00 (13:00 GMT), indicating removal of a snag in the first day of direct talks between Israel and the Arabs.

This was announced by a spokesman for the Lebanese delegation to the Middle East peace talks. Israeli sources,

however, said that the separate meetings between Israel and Syria and between Israel and Lebanon were to start at 15:00 (14:00 GMT).

Israeli sources told XINHUA that the talks between Israel and a joint Jordanian-Palestinian delegation were to resume at 16:00 (15:00 GMT) after a break following the morning session.

Today's meetings were scheduled at 10:00 (09:00 GMT) in three separate locations. The Syrian and Lebanese negotiators were not there when the Israeli negotiators arrived.

Contacts by U.S. officials resulted in Israeli agreement to hold the three-plane talks in three separate rooms in the same parcent palace (the Foreign Ministry complex) where the Israelis started their talks with the Jordanian-Palestinian delegation.

Syria and Lebanon called for holding the three-plane bilateral talks in one building in Madrid to indicate that such talks were an outgrowth of the Madrid Middle East peace conference between October 30 and November 1.

Syria also demanded that the three-plane talks focus on matters of substance from the very beginnning.

On Saturday, Israeli Prime Minister Yitzhak Shamir instructed his negotiators to limit today's meetings to discussing when and where to hold the future negotiations.

Israel views the bilateral talks as the second phase of the peace process that began with the Madrid conference and, therefore, the venue and time of the future bilateral talks should be chosen through negotiations.

The Jewish state wants the bilateral talks to be held in the Middle East, alternating between Israel and each of its Arab negotiation partners.

Syria stands for holding the talks elsewhere, in order not to give Israel an additional measure of legitimacy before it makes territorial concessions.

### Further on Opening of Talks

OW031110691 Beijing XINHUA in English  
1015 GMT 3 Nov 91

[By Li Zhurun and Liu Lianxiang]

[Text] Madrid, November 3 (XINHUA)—Bilateral talks started here this morning between Israel and the joint Jordanian-Palestinian delegation, following a three-day ceremonial Middle East peace meeting that ended Friday.

Israeli negotiators are still waiting for their Syrian and Lebanese counterparts to discuss the time and venue of the future talks on ways of ending their long-standing hostility. They will wait for them until midnight, Israeli sources said.

The talks between Israel and the joint Jordanian-Palestinian delegation are held in the Parcent Palace [as received] in downtown Madrid.

Three groups of Israeli negotiators left their hotel before 10 o'clock this morning for the meeting places. Israeli sources told XINHUA that the Syrian and Lebanese negotiators have not turned up at the meeting places.

Syrian officials were not immediately available for confirmation.

Israel agreed to holding the first round of the bilateral talks in Madrid, seen as a compromise to Syria's insistence on holding the bilateral talks here to present them as an outgrowth of the Madrid meeting.

The Jewish state suggested that further talks be held in the Middle East. The suggestion was turned down by Syria, which feared that this might give Israel additional measure of legitimacy before it makes territorial concessions.

### Contacts To Remove Snags Under Way

OW0311122591 Beijing XINHUA in English  
1133 GMT 3 Nov 91

[By Li Zhurun and Liu Lianxiang]

[Text] Madrid, November 3 (XINHUA)—American officials here are busy contacting the Syrians and Lebanese to persuade them to attend their separate bilateral talks with Israel, which should have started at 10:00 (09:00 GMT) here today.

The Americans hope that the Syrian and Lebanese delegations would show up this afternoon, according to official sources here.

Egyptian Foreign Minister 'Amr Musa, who was supposed to go back to Cairo today, has decided to remain here to persuade the Syrians to attend the bilateral talks with Israel, Arab sources said.

The talks between Israel and a joint Jordanian-Palestinian delegation started this morning according to schedule, but there was no hand-shaking between the six Israelis and 10 members of the joint delegation—five Jordanians and five Palestinians.

All faces were "stony," said the sources.

The Syrian and Lebanese delegations did not show up. The Israeli negotiators for separate talks with the Syrian and Lebanese delegations returned to their hotel after waiting at the meeting places for about half an hour.

Israeli sources said that their negotiators would wait for the Syrians and Lebanese until midnight.

According to Arab sources, Syria demands that the first round of the bilateral talks today be devoted to matters of substance, instead of the time and venue of the future talks.

Syria also demands that starting today, the bilateral talks, as the outgrowth of the Madrid meeting, be held in Madrid.

Israel suggests that the future talks be held in the Middle East. On Saturday, Israeli Prime Minister Yitzhak

Shamir instructed his negotiators in Madrid to discuss nothing but the time and venue of the future talks.

Arab sources linked the absence of the Lebanese negotiators at today's meeting with the Israelis to a demand for stopping Israeli bombing of south Lebanon.

Israel has been retaliating for attacks by Muslim groups in south Lebanon, intensified since the Madrid meeting opened last Wednesday.

### Israeli Politicians Express Hope

OW0311160591 Beijing XINHUA in English  
1454 GMT 3 Nov 91

[Text] Cairo, November 3 (XINHUA)—Two prominent Israeli politicians, Shim'on Peres and Ezra Weizman, in their interviews with Egypt's "AL-AHRAM" newspaper, expressed hope that the Madrid talks will open way for peaceful coexistence between the Arabs and the Israelis.

Peres, head of the Israeli opposition Labor Party, said in the interview carried today that the Madrid peace conference has actually succeeded in achieving five major results.

He believed the first result is that all the countries in the region "are now very near to achieving peace."

"Second, Israel has recognized the Palestinian negotiators, a matter that never happened before. Third, the Arab world is now close to recognizing Israel. Fourth, the two superpowers and the rest of the world have become involved in trying to create a new reality in the region," he said.

As former prime minister, Peres said the fifth result is that "We are not only speaking about achieving peace but we also are talking about bringing the region to a new era of economic cooperation, improving the standard of living of its people and solving the problem of (Palestinian) refugees."

Peres said his party's peace plan calls for a halt in building more Jewish settlements in the occupied lands, an end to Arab economic boycott of Israel and trading land for peace.

He said his party would support Prime Minister Yitzhak Shamir if he opted for peace. His party will vote for peace in the Israeli parliament. "I firmly stand by peace and will do anything in my power to support the peace process," he said.

Weizman, a former defense minister and now an independent member of the Israeli parliament, said the Madrid conference represented a first step on a long path.

He said, "We cannot achieve full peace with Syria without returning the Golan Heights to her as we did when we returned Sinai to Egypt."

"This is a precondition before any talk on having good relations with Damascus," he said.

He indicated that Israel should give up the Arab territories it seized in the 1967 war. "What goes to the Golan Heights should be applied to the West Bank and Gaza," he said.

### Syrian-Israeli Talks 'Uncertain'

OW0311182091 Beijing XINHUA in English  
1745 GMT 3 Nov 91

[By Li Zhurun]

[Text] Madrid, November 3 (XINHUA)—It is still uncertain when the planned direct talks between Syria and Israel will take place as the first day of the planned three-plane negotiations on Middle East peace was wearing on.

There were reports that Syrian negotiators would meet with their Israeli negotiation partners at 22:00 (21:00 GMT), but reporters at the press center could not take it for granted, given the Syrian position that seemed unyielding at the moment.

"We are here for talks on peace, but they (the Israelis) only want to discuss the place—which is more important, peace or the place?" A senior official on the Syrian delegation said to XINHUA.

The official repeated Syria's insistence that from the "very first minute," the bilateral Syrian-Israeli talks must focus on Israeli withdrawal from the Golan Heights, captured by Israel in the 1967 Middle East war.

"If Israel refuses to talk peace, there would be no conversation," he added.

Meanwhile, he did not rule out the possibility of holding talks with the Israelis. "But I don't know when," he said.

As regards the venue of the future bilateral talks expected to follow the Madrid Middle East peace conference between October 30 and November 1, the official said that "Madrid is good enough."

"If the Israelis don't like Madrid, Washington could be an alternative," he added.

He said that Syrian Foreign Minister Faruq al-Shar' is still in Madrid, bargaining with American, Soviet and Spanish officials over the Syria's talks with Israel.

The official's remarks contradicted with an earlier statement by the Lebanese delegation that the Syrians and Lebanese would both attend the talks with Israel.

Israel, however, insists that today's talks center on when and where to hold the future bilateral talks. It prefers to hold such talks in the Middle East but Syria fears this might give Israel an additional measure of legitimacy before Israel makes territorial concessions.

An official on the Israeli delegation told XINHUA that Israel's position is based on the U.S.-Soviet invitation to the Madrid meeting.

Only the time for the bilateral talks was stated in the invitation, not the venue, he said.

"Frankly, we are dumbfounded and dismayed by this apparent intransigence and inflexibility," said an Israeli delegation statement on Syrian and Lebanese absence from the bilateral talks with Israel.

"We agreed on the ground rules and we cannot understand why the Syrians and Lebanese insist on breaking the ground rules," the statement said, referring to the invitation.

A statement issued by the Lebanese delegation said that its negotiators will show up for talks with the Israelis later in the day.

The joint Palestinian-Jordanian delegation started talks with Israeli negotiators at 10:00 (09:00 GMT) according to schedule. The talks resumed in the afternoon after a mid-day break.

Both Arab and Western diplomats said that the talks proceeded in a "positive atmosphere."

The Syrian official said that his country had no "negative comment" on talks between the Palestinians and Israelis.

#### **'Arafat on Group Representing PLO**

*OW0311191391 Beijing XINHUA in English  
1825 GMT 3 Nov 91*

[Text] Tunis, November 3 (XINHUA)—PLO Chairman Yasir 'Arafat today reaffirmed that the Palestinian team to the Madrid peace conference represents the Palestine Liberation Organization.

"The Palestinian delegation to this conference has demonstrated that it represents the PLO," 'Arafat said in a speech opening a three-day conference on Palestinian human rights.

Israel insisted before the peace conference started last Wednesday that it would not talk to the PLO or Palestinians associated with the PLO, which it considers as a "terrorist group."

However, the Palestinian negotiators to the parley evidently have links with the PLO and receive indirect instructions from it although they are not PLO members.

'Arafat was answering criticism that the indirect participation in the talks had weakened the PLO. Radical factions have threatened to quit the PLO, or sabotage the talks.

The PLO chairman also attacked Israel for "flouting international legality" in refusing to yield the occupied West Bank and Gaza Strip, seized in the 1967 Middle East war.

Israeli Prime Minister Yitzhaq Shamir, who headed the Israeli delegation to the Madrid forum, has vowed not to give up any land of the occupied West Bank and Gaza Strip, advocating only peace for peace.

All the conference participants except Israel have agreed that the peace talks must be based on U.N. Security

Council Resolution 242 and 338 which demand Israel trade land for peace in the region.

The international conference for the defense of Palestinian human rights is charged with examining the situation of Palestinians in the occupied territories and elsewhere. It was organized by Tunisia, Algeria, Morocco and Mauritania.

#### **Bilateral Talks To Continue**

*OW0311214791 Beijing XINHUA in English  
1927 GMT 3 Nov 91*

[By Li Zhurun]

[Text] Madrid, November 3 (XINHUA)—Israeli negotiators and a joint Jordanian-Palestinian delegation agreed to continue their direct talks on the venue of their future negotiations.

This was stated in a joint statement issued after the afternoon session of their bilateral talks.

"The joint Jordanian-Palestinian delegation and the Israeli delegation met today to start direct negotiations on the basis of Security Council Resolutions 242 and 338," said the statement.

"The talks were conducted in good business-like atmosphere. Matters discussed included procedural issues of the talks to be held in the future which it is hoped will take place soon," the statement said.

"The parties expressed their views on the possible venue of the negotiations. Consultations will continue in this regard as well as on other matters pertaining to the negotiations," the statement concluded. The statement was read by the leader of the Jordanian-Palestinian delegation.

Earlier reports quoted both Arab and Israeli sources as saying that today's talks between the two sides proceeded in "a positive atmosphere." Israel's chief negotiator Elyakim Rubinstein called today's meeting a "good start."

According to Spain's national news agency EFE, at the end of the afternoon session, leaders of the two delegations shook hands with each other.

When the morning session began, however, they refused photographers' request for hand-shaking. Reports said that the Israelis, Jordanians and Palestinians were all "granite-faced." Reports also said that the Israeli negotiators brought with them "constructive proposals," but Israeli sources declined to specify.

In another development, the Lebanese negotiators, headed by Foreign Ministry official Zafar al-Hasan, arrived this evening at the headquarters of the National Institute of Industries for talks with the Israeli negotiation group.

Earlier reports attributed Lebanon's absence from the bilateral talks with Israel to the country's insistence on holding the three-plane talks in three separate rooms under the same roof.

The Syrian-Israeli talks are to begin at 22:00 (21:00 GMT), according to a Syrian delegation statement issued minutes ago.

### Washington Eyed for Next Talks

OW03112114991 Beijing XINHUA in English  
2029 GMT 3 Nov 91

[By Gao Qiufu and Li Zhurun]

[Text] Madrid, November 3 (XINHUA)—Israeli negotiators and a joint Jordanian-Palestinian delegation have agreed to hold their future direct talks in Washington, a reliable Jordanian source told XINHUA today.

The agreement was reached at their first meeting earlier today in this Spanish capital. The source said he was "90 percent sure" that Syria and Lebanon would also agree to Washington as venue of the future talks.

Syrian and Lebanese negotiators were meeting this evening with their Israeli negotiation partners. Venue of the forthcoming bilateral talks was believed on the agenda.

In an interview with U.S. TV network NBC this morning, U.S. Secretary of State James Baker did not rule out the possibility to hold the bilateral talks in Washington.

The Jordanian source said he was present at today's talks between Israel and the joint Jordanian-Palestinian delegation. "My hands were trembling when I saw the heads of the two delegations shaking hands," he said.

Israeli officials interviewed by XINHUA neither denied nor confirmed the choice of Washington as the venue for future talks.

A Syrian official told XINHUA that if Israel does not accept Madrid, "Washington could be an alternative."

Meanwhile, leader of the Israeli group for talks with the Jordanian-Palestinian delegation, Elyakim Rubinstein, told reporters that consultations will continue "through appropriate ways" on the question of venue.

Commenting on today's meeting, he said that everything was on the agenda.

"This was a day of significance, of historic bilateral talks," he said, while admitting the roads ahead would be with ups and downs.

### Baker Cited on Lack of Venue Agreement

OW0411005891 Beijing XINHUA in English  
0034 GMT 4 Nov 91

[By Yu Dabao]

[Text] Madrid, November 3 (XINHUA)—U.S. Secretary of State James Baker said here today that Israel and its Arab adversaries have not reached agreement on the venue of bilateral talks, but he stressed that no one was "on the verge of pulling out" from the talks.

Speaking at a press conference, Baker said that the peace process had made a further "critical step" forward following the three-day peace conference as Israel and the joint Jordanian-Palestinian delegation have begun face-to-face talks earlier in the day.

Israel and the joint Jordanian-Palestinian delegation started bilateral talks as scheduled this morning to discuss the next venue, but the Syrian and Lebanese delegations did not show up on time and began the talks much later.

Baker said he had no information about the results of the Israeli-Syrian and Israeli-Lebanese negotiations that were still going on as Baker was speaking.

Baker left Madrid shortly after he gave the press conference.

Baker said the conflicting parties still have different opinions about where they would continue their bilateral talks. "They needed now a little bit of time to be fully engaged on the question of venue," he said.

The Arabs, particularly the Syrians, insist on conducting the talks in Madrid or any other foreign country to give them an international flavor, but Israel wants to shift the talks to the Middle East after they started in Madrid.

Baker said he did not think Syria had broken its commitment to the negotiation process by showing up late in its face-to-face talks with Israel.

When asked whether he had proposed Washington as a possible site, Baker said, "I don't really want to advance a suggestion here because I don't think that would be fulfilling the role we should be fulfilling."

But he added, "If the time comes, we would not hesitate to make our views known with our own proposals."

Baker said he had entrusted U.S. senior officials to remain in Madrid for continuing consultations with the conflicting parties.

He pledged that the U.S. and the Soviet Union will continue to be "the driving force" behind the process.

"We will stay fully engaged in the process as long as the conflicting parties are serious about peace," he said.

He once again pointed to the obstacles lying ahead, saying, "There can't be any guarantees. This is the Middle East."

### Japan To Join Multilateral Middle East Talks

OW0211151691 Beijing XINHUA in English  
1451 GMT 2 Nov 91

[Text] Tokyo, November 2 (XINHUA)—Japan today announced that it will take an active part in a multilateral conference to discuss issues in the Middle East region.

Taizo Watanabe, spokesman of the Foreign Ministry, said Japan would play a constructive role in the conference, taking into account expectations by other nations of Japan's part.

Tokyo planned to send Deputy Foreign Minister Kunihiro Saito to a preparatory meeting for the expanded regional conference, which was scheduled to take place after bilateral negotiations.

The expanded meeting, which is part of the Middle East peace conference, is expected to focus on issues such as arms control, security, water resources, environment, refugees and economic development in the Middle East region.

"By participating in the efforts to solve these issues, Japan could appropriately cooperate towards the goal of Middle East peace," the spokesman said.

#### Envoy Calls For Greater UN Role in Economic Field

OW3110221891 Beijing XINHUA in English  
2148 GMT 31 Oct 91

[Text] United Nations, October 31 (XINHUA)—China today called for more role of the United Nations in economic areas to facilitate international economic cooperation and the economic growth of developing countries.

Jin Yongjian, China's deputy permanent representative to the United Nations, told the General Assembly that the role the United Nations has been playing so far in the economic field "lags far behind its role in addressing political issues."

This is "by no means in tune with the ever worsening economic situation of the developing countries and does not live up, to a considerable extent, to the expectations of the developing countries in general of the United Nations," Jin said.

China hopes that through the restructuring and revitalization of the U.N. bodies in economic and social fields, particularly by improving their efficiency and working methods, the United Nations will play a greater role in economic development, Jin said.

The restructuring of these bodies will not only have a bearing on the interests of the member states but also have an impact on all U.N. bodies.

Because of its complex nature, the restructuring exercise can only be a gradual process, Jin said. "Moreover, the restructuring should proceed in a planned and phased fashion with due focuses."

The importance of some U.N. bodies calls for a serious approach towards the efficiency problem existing in these bodies, Jin said.

First, the causes for their lack of efficiency should be analyzed, he said.

#### Qian Qichen To Attend APEC Meeting in Seoul

OW0411084691 Beijing XINHUA in English  
0828 GMT 4 Nov 91

[Text] Beijing, November 4 (XINHUA)—A Chinese delegation headed by Qian Qichen, state councillor and foreign

minister, and Li Lanqing, minister of foreign economic relations and trade, will attend the third ministerial meeting of Asia-Pacific Economic Cooperation (APEC) to be held in Seoul from November 12 to 14, a Chinese Foreign Ministry spokesman announced here today.

#### International Tourism Symposium Views Huangshan

OW3010223391 Beijing XINHUA in English  
1530 GMT 30 Oct 91

[Text] Huangshan, October 30 (XINHUA)—A six-day international symposium on the coordinated development of tourism and environment ended here today.

The symposium was sponsored by the United Nations Environment Program (UNEP), the World Tourism Organization, the Chinese Environmental Protection Bureau and the Anhui People's Government.

It focused its discussions on how to protect the environment of the tourist attraction of Huangshan Mountain while fully and rationally utilizing and developing the tourism resources.

It also explored the possibilities of joint development of the Huangshan tourism resources by relevant international organizations.

Huangshan mountain has been listed as a world natural and cultural legacy by the Educational, Scientific and Cultural Organization of the United Nations last year. Protection of the scenic area and tourism development have aroused the concern of both Chinese and foreign organization experts.

More than 50 Chinese and foreign experts participated in the symposium which coincided with the opening of the Huangshan International Tourism Festival.

While appreciating the great efforts made by the Chinese Government to protect the environment and develop the tourism resources in Huangshan, some foreign experts urged the Chinese Government to adopt measures to restrict the use of some scenic spots, set up a system for collecting data about tourism and the environment and make the data the basis for planning and decision making.

The specialists also requested China to review and re-adjust the overall plans for the development of the tourism zone, strengthen the education of the working staff and the public so that they will become more environmentally conscious and improve the infrastructural facilities and service.

UNEP officials and the World Tourism Organization promised their support to the Chinese Government in its efforts to develop tourism aimed at improving the environment and help China seek international funds for revising the nation's tourism development program and research, including assessment of the receiving capacity, research in the ecological system and the treatment of waste water, sewage water and litter.



led by Governor Yue Qifeng, left Dandong this morning for a friendly visit to North Pyongan Province.

While departing Shenyang, the delegation was sent off by Chen Suzhi, provincial vice governor; Cong Zhenglong, assistant to provincial governor; and Cui Yukun, secretary general of the provincial government. Cho Kil-chun, consul general of the DPRK General Consulate in Shenyang, also was present to send off the delegation.

### Meets Kim Il-song

OW2810212491 Beijing XINHUA in English  
1616 GMT 28 Oct 91

[Text] Pyongyang, October 28 (XINHUA)—General Secretary of the Workers' Party of Korea and President of the Democratic People's Republic of Korea (DPRK) Kim Il-song met outside the capital today with two visiting Chinese provincial delegations from Jiangsu and Liaoning.

One delegation was led by Shen Daren, secretary of the Jiangsu provincial committee of the Chinese Communist Party, and the other by Yue Qifeng, governor of Liaoning Province.

The DPRK leader extended a warm welcome to the visiting guests and said their visit would strengthen friendship and cooperation between concerned provinces and the peoples of the two countries.

The two Chinese teams arrived respectively at the invitations of party and government organizations in Kangwon and North Pyongan Provinces.

Speaking on the issue of DPRK agriculture, Kim told the Chinese guests his country would enjoy a great harvest this year with an estimated grain increase of two million tons over 1990.

Kim also briefed the Chinese guests on the fourth round of premier level talks between Pyongyang and Seoul which concluded last week.

He said the North had demanded the signing of a mutual non-aggression declaration and the realization of disarmament as a top priority before exchanges and cooperation could be initiated between the two sides.

The consensus reached by the North and the South on signing of a package of agreements on reconciliation, non-aggression, exchanges and cooperation represented progress, the president said.

He said that at a later date, the two sides of North and South would have further consultations on these points.

### Publishing Delegation Meets DPRK Vice President

OW3110125391 Beijing XINHUA Domestic Service  
in Chinese 0443 GMT 30 Oct 91

[By reporter Li Nengqing (7812 5174 3237)]

[Text] Pyongyang, 30 Oct (XINHUA)—Korean State Vice President Yi Chong-ok met with Lin Wusun, director of China's Foreign Languages Publishing and Distribution Bureau, at the Mansudae Assembly Hall in Pyongyang today. He said that the Korean people are working in unity to achieve reunification under the Korean Workers Party's leadership.

He said: Reunification is the fundamental task for the Korean people. Korea must achieve reunification under the federal system of "one nation and one state run by two separate governments under two different systems."

Yi Chong-ok expressed his hopes for increased exchanges between Korean and Chinese publishing circles. He thanked Chinese publishing circles for their brotherly assistance to Korea, and expressed the hope that such relations would continue to develop.

Zheng Yi, Chinese ambassador to Korea, was present at the meeting.

The Chinese delegation arrived in Korea on 21 October for a visit at the invitation of the Korean Foreign-Language General Publishing House.

### U.S.-South Korean Military Maneuvers Protested

OW0211183791 Beijing XINHUA in English  
1746 GMT 2 Nov 91

[Text] Pyongyang, November 2 (XINHUA)—The Democratic People's Republic of Korea (DPRK) on Friday demanded that South Korea and the United States to stop their large-scale military maneuvers.

According to a report by the KOREAN CENTRAL NEWS AGENCY the "Foal Eagle 91" [as received] maneuvers starting on Friday were participated by over three million soldiers and reservists from the United States and South Korea.

The DPRK said in a statement that the joint military exercises, which came only a week after the conclusion of the fourth summit meeting between the two sides of Korea, have caused grave concern.

It said that the wargame, categorically denying the national reconciliation, non-aggression, cooperation and exchange between the two sides, is an open provocation to the North side.

The statement noted that national reconciliation can not be achieved and the dialogue between the two sides cannot bring about result so long as the military exercises is going ahead.

The wargame will not bring any good to the United States and South Korea, but only to intensify the tension in the Korean peninsula and enhance the risk of war, the statement said.

The United States and South Korea should stop the joint maneuvers if they really hope for peace and dialogue, the statement said.

**Further on Protest**

*OW0311173291 Beijing XINHUA in English  
1638 GMT 3 Nov 91*

[Text] Pyongyang, November 3 (XINHUA)—The Democratic People's Republic of Korea (DPRK) today criticized South Korea and the United States for launching large-scale war games before the fifth North-South high-level talks as "extraordinary unusual event."

The DPRK delegation to the North-South high-level talks said in a statement that "it is unlikely to establish confidence between the North and South, nor to conduct faithful dialogue" while the United States and South Korea launching joint military exercises directly against the North, according to KCNA today.

The United States and South Korea staged on Friday the eight-day "Foal Eagle 91" [as received] maneuvers participated by over three million soldiers and reservists from the United States and South Korea.

The statement said the move might "pour cold water" on North-South high-level talks which may probably make progress.

The DPRK said that the joint war games, which came only a week after the conclusion of the fourth summit meeting between the two sides of Korea, have caused grave concern in the North side.

The DPRK urged the South Korean authorities to take correct attitudes towards the North-South dialogue and stop the military games immediately.

**West Europe****Vice Premier Zou Jiahua Concludes European Visit****Meets Genscher**

*OW0111021191 Beijing XINHUA in English  
0149 GMT 1 Nov 91*

[Text] Bonn, October 31 (XINHUA)—German Deputy Chancellor Hans-Dietrich Genscher and his Chinese counterpart, Zou Jiahua, exchanged views on further developments in bilateral relations and issues of common interest, when they held talks here this afternoon.

The two sides said they believed cooperation in politics, economy, cultural matters and technology would definitely be further developed.

The friendly meeting lasted 75 minutes.

German Minister of State Hans Werner Lautenschlager, China's Vice Minister of the State Planning Commission Ye Qing, and China's Ambassador to Germany Mei Zhaorong, also attended the meeting.

After the talks, Zou, also minister of the State Planning Commission, traveled on the next leg of his visit to Wolfsburg, where the headquarters of the Volkswagen Automobile Corporation is located.

**Tours Lower Saxony**

*OW0211174391 Beijing XINHUA in English  
1703 GMT 2 Nov 91*

[Text] Bonn, November 2 (XINHUA)—Minister-President of the Lower Saxony State, Gerhard Schroeder, held talks with visiting Chinese Vice-Premier Zou Jiahua on Friday.

Zou was on a visit to the state, where locates the headquarters of the Volkswagen automobile plant, which cooperates with Shanghai of China.

**Departs Bonn**

*OW0311031491 Beijing XINHUA in English  
0251 GMT 3 Nov 91*

[Text] Bonn, November 2 (XINHUA)—Chinese Vice-Premier and Minister in Charge of the State Planning Commission Zou Jiahua left here for home today at the end of his six-day visit to Germany.

During his stay in Germany, Zou held talks with German Minister of Economics Juergen Moellemann and Minister of Foreign Affairs and Deputy Chancellor Hans-Dietrich Genscher. Both sides expressed the desire to increase political and economic relations between the two countries.

During their meeting, Zou and Moellemann discussed the possibility and areas for further cooperation.

When meeting with German businessmen and entrepreneurs, Zou briefed them on China's Eighth Five-Year Plan which aroused great interest among them.

**Returns to Beijing**

*OW0311122291 Beijing XINHUA in English  
1209 GMT 3 Nov 91*

[Text] Beijing, November 3 (XINHUA)—Zou Jiahua, Chinese vice-premier and minister in charge of the State Planning Commission, returned to Beijing today after a visit to Britain and Germany.

## Political & Social

### More on Human Rights 'White Paper' Publication

#### State Council Official Interviewed

CM0411150991 Beijing RENMIN RIBAO in Chinese  
3 Nov 91 pp 1, 4

[Interview with Zhu Muzhi, director of the State Council Information Office, by unidentified reporters on 2 November; place not given]

[Text] Beijing, 2 Nov (XINHUA)—Zhu Muzhi, director of the State Council Information Office, was interviewed by reporters today on relevant questions concerning the publication of the white paper on "Human Rights in China."

[Reporter] We would like to ask you why the white paper on "Human Rights in China" was published, and about the special significance of the publication.

[Zhu Muzhi] In the past half century or so, the Chinese people have achieved great results in various fields, and the struggle for human rights is one of the achievements. This is an amazing achievement of the Chinese people. In the past, however, no systematic publicity on the remarkable achievements in human rights was presented to the international community. The Chinese people, defying death and personal sacrifice, fought for more than a century to gain the right to be a human being. Under aggression, oppression, and the exploitation of imperialism, feudalism, and bureaucrat-capitalism, the Chinese people suffered untold tribulations. Living in cold and hunger, the Chinese people were constantly in a precarious state and did not have any human rights to speak of. Only after the three big mountains [imperialism, feudalism, and bureaucrat-capitalism] were overthrown, the PRC was founded, the country gained its complete independence, and the system of man's exploitation of man was abolished could the Chinese people truly enjoy the right to be a human being. In comparison with the past, the present state of human rights in China is totally different. However, because of little past publicity, these achievements are not evident to many people in China, especially young people, much less the people abroad. In recent years, some people abroad have made allegations about a disregard for or violations of human rights in China. Such allegations are unfounded and sheer nonsense. The fact that hundreds of millions of Chinese people, who did not have the right to be human beings, have secured human rights is China's great contribution to the world. Therefore, China should be more qualified than any other country to discuss human rights. The publication of the white paper on "Human Rights in China" will, I believe, help the people at home and abroad understand more systematically, comprehensively, and accurately the facts about human rights enjoyed by the Chinese people.

[Reporter] Why does China particularly stress the right to subsistence?

[Zhu Muzhi] This is because, to the Chinese people, the most important human right is the right to subsistence. It was so in the past and still is today. The reason for this is very simple: Without a complete, reliable right to subsistence, it is useless to talk about human rights. Many facts presented by the white paper on "Human Rights in China" show that in old China the Chinese people were deprived of any guarantee for their lives. Tens of millions of Chinese were killed during imperialist aggression. Take Beijing, for example; it is a good reference for this phase in history. In 1860 the aggressor troops of Britain and France attacked Beijing and burned down the Yuanming Yuan Palace. In 1900, the troops of the Eight Allied Powers—Britain, the United States, France, Germany, Russia, Japan, and others—also attacked Beijing, wantonly killing, burning, and looting. In 1937 the Japanese imperialists occupied Beijing, which was called Beiping at that time. As a result, Beijing became a colony. Even after the victory of the War of Resistance against Japan, U.S. troops still walked the streets of Beijing. Later, a female student of Beijing University was raped by an American GI who remained at large. Only after the founding of New China did this phase of tragic and humiliating history come to an end, and there has been a guarantee for the lives and security of the Chinese people only after the founding of New China. But after the overthrow of the three big mountains, China had to solve the problem of food and clothing for the people. As the Chinese people had suffered from insufficient food and clothing for a long time in the old society, they had always hoped that they would have enough food to eat and sufficient clothing to wear. During the past 40 years or so, the Chinese people, under the leadership of the Communist Party of China and the people's government, after working arduously, have finally solved the problem of food in China, whose arable land is only 7 percent of the world's total cultivated land and whose population is 22 percent of the world's total. Now, it can be said that the Chinese people have basically solved the problem of the right to subsistence. This shows that the right to subsistence is the primary human right of the Chinese people. Speaking of China's reality today, safeguarding the right to subsistence is still the primary task of the Chinese people in the field of human rights. Because China is a developing country, and our national strength is still very limited, the level of economic development and the standard of people's living are still comparatively low. There is still no absolute tranquillity in the world. Our country's safety and the people's lives will be threatened in the event of war, turmoil, and serious natural disasters. Therefore, we must have stability and unity; we must work with one heart and one mind to realize the strategic objective of socialist modernization. This will greatly raise our national strength and level of economic development, as well as raise the people's standard of living. This will provide a reliable guarantee for the people's right to subsistence. This is the most urgent task of the Chinese people at present.

[Reporter] Some people say that China only stresses the right to subsistence but ignores political rights. What's your comment on this?

[Zhu Muzhi] This view does not add up with the actual conditions. A minimal knowledge of the history of

contemporary China will tell you that, while struggling for the right to subsistence, the Chinese people have waged an epic struggle for political rights. These two struggles cannot be separated from one another.

Since the very day of its founding, the Communist Party of China has led the Chinese people to struggle for the achievement of new democracy. The chief reason that the liberated areas appealed to young people and became the hope of the Chinese people at that time was that democracy was practiced there. Socialist democracy became a reality after the founding of New China, and the Chinese people, as the masters of their country, began to enjoy a wide range of political rights. Some people equate political rights with electoral rights. Such a view is one-sided. Nevertheless, as far as elections are concerned, elections in China are not manipulated by money; the right to vote enjoyed by the Chinese people is a genuine one, and is a far cry from those elections manipulated entirely by money. In elections that are purely manipulated by money, the choices and the election results are false and deceptive. A chapter of the white paper on "Human Rights in China" deals exclusively with the political rights enjoyed by the Chinese people. It is wrong to say that China stresses only the rights to subsistence but ignores political rights. We can put it this way: The Chinese people are enjoying a wide range of political rights that had never been seen before in the history of China. I am not saying that there is nothing to be desired in terms of the Chinese people's political rights. We are in the process of reforming the political structure with a view to strengthening socialist democracy and the legal system. The Chinese people will enjoy still fuller political rights as the masters of their own country.

[Reporter] Currently, a popular view holds that human rights are political rights, or civil rights. We discern a different view in the white paper on "Human Rights in China." Why?

[Zhu Muzhi] People's political rights, or civil rights, certainly constitute a very important, inalienable part of human rights; however, they do not represent the entirety of human rights. Apart from political rights, human rights will not be complete without also including the right to subsistence, as well as economic, cultural, and social rights. Furthermore, real political rights will not exist in the absence of economic, cultural, and social rights. China has abolished the exploitative system, thereby giving people the right to develop on an equal footing economically and avoiding polarization. In this way, we enable our people to have the economic foundation upon which they can enjoy political rights. As far as the right to work is concerned, in old China, the right to work was, in fact, controlled by landlords or capitalists. Lacking means of production, working people had no independent right to work. Without the right to work, it was not possible for the people to provide for their basic living needs. Without the right to work, there was no guarantee for the most fundamental right to subsistence. In addition, is it possible to fully enjoy human rights if the right to education, or the right to protection for women and children, as well as the elderly, weak, disabled, and sick, is absent? The Chinese Constitution has explicit provisions concerning the people's

economic, cultural, and social rights, and great achievements have been made in the course of enforcing the Constitution. It may, therefore, be concluded that the development of socialist modernization has enabled the Chinese people to further enjoy these rights.

[Reporter] Some people in the international community maintain that human rights are above sovereignty and, therefore, the principle of noninterference in internal affairs does not apply to human rights issues. Your comments, please.

[Zhu Muzhi] Because the white paper on "Human Rights in China" has discussed this issue in detail, I will not repeat it here. In my view, should these people follow through on their propositions—propositions such as human rights are above sovereignty, human rights know no national boundaries, or the principle of noninterference in internal affairs does not apply to human rights issues—the consequences would be too dreadful to contemplate. Why? First, are there specific standards for human rights? Currently, no specific, uniform standards exist that are acceptable to all countries. Each nation is different from all others in terms of its history, national traditions, economic and cultural conditions, moral standards, and values. Consequently, each nation's understanding of and requirements for human rights are different. The understanding of the developed nations in the West is different than the developing countries' understanding. Nations believing in Christianity or Buddhism will, no doubt, differ from those believing in Islam. The United Nations has passed documents and pacts on human rights. Take, for example, the United States, which calls out loudly for human rights: It does not completely agree with them. It does not join many of the pacts. Second, if each nation is allowed to use its own standards to treat human rights issues in other countries and, after concluding that human rights were violated, willfully interfere, sometimes even with the use of armed force, this will inevitably remind us of the past, when colonialists invaded other countries on the pretense of spreading civilization. This pretense seems plausible. Third, if they followed through on these propositions, what would the results be? Realistically speaking, even if small, weak nations discover that large, strong nations willfully violate human rights, they would not be able to interfere or stop them in any way. On the other hand, large, strong nations may arbitrarily accuse small, weak nations of violating human rights and attack them, pressure them, and do as they please. Therefore, all those so-called claims that human rights are above sovereignty, that human rights know no national boundaries, and that the principle of noninterference in internal affairs does not apply to the field of human rights are mere pretenses used by some nations to practice power politics or hegemonism. The result will be chaos throughout the world.

### Editorial on Rights, Sovereignty

CM0411163691 Beijing RENMIN RIBAO in Chinese  
2 Nov 91 pp 1, 4

[Editorial: "Safeguard Human Rights, Defend Sovereignty"]

[Text] Today the State Council Information Office published the white paper on "Human Rights in China." The full text comprises about 45,000 characters. RENMIN RIBAO will publish it in four parts. The white paper reviews China's human rights history and comprehensively relates the status of human rights in China. This is an authoritative document on China's human rights status.

The white paper is composed of 10 parts and provides a host of facts and data on the exercise of human rights in China in different fields, including the right of existence as well as political, economic, cultural, and social rights. For those who are concerned about China's human rights issue but lack an understanding of it, for those who have a partial and incomplete knowledge of China's human rights status, and for those who have a misunderstanding of China's human rights status because of some prejudiced influence, this white paper will help them objectively and comprehensively observe China's human rights status and draw a correct conclusion. Unquestionably, of course, the white paper also serves as a powerful refutation and counterattack against those who have spread rumors about and slandered China's human rights status. Facts speak louder than words. The most prominent characteristic of the white paper is that it speaks by presenting facts.

The human rights issue is one of the major problems receiving widespread concern in the international community. This is not accidental. The human rights issue has an extremely close bearing on any individuals of any stratum in a country or a nation. From its proposition to its development, the human rights issue has experienced a process of several hundred years. Under the slave and feudal systems, slaves and peasants, who accounted for the majority of the population, had no human rights at all. Human rights were proposed by contemporary bourgeois enlightenment thinkers in juxtaposition to the rule by divine right and feudal privileges in the Middle Ages. These served as an ideological weapon against feudal autocracy and had major, progressive significance. The "Declaration of Human Rights" adopted during the French Revolution in 1789 confirmed the bourgeois human rights concept in a legal form. But universally equal human rights cannot be practiced under the capitalist system. Marx sharply pointed out: "Equal exploitation of labor is the first human right of capital." Therefore, for a fairly long period of time, human rights remained the patent of the bourgeoisie and had marked limitations. Since the beginning of this century, particularly since the end of World War II, the human rights issue has received widespread concern in the international community. In 1948, the UN General Assembly adopted the "Universal Declaration of Human Rights"—the first international document on the human rights issue—which provides the details of basic human rights. Many colonial

countries in Asia, Africa, and Latin America declared independence one after another and entered the international arena, thereby enriching the contents of international human rights theory and practice. A number of documents on human rights approved by the United Nations carry stipulations on national self-determination and the right to dispose of natural wealth and resources. This has put collective human rights in an important position, breaking away from the Western bourgeois traditional concept of individual human rights, and confirmed that a country's right to develop its own economy, culture, wealth, and resources remains inviolable, thus developing the collective human rights concept. Through 40-odd years of changes and development, the concept and content of international human rights have become richer; human rights are no longer the patent of a small number of countries, but portray the demands and wishes of many developing countries and have become an important ideological weapon promoting human civilization and progress.

Because there are big differences between different countries' historical backgrounds, social systems, cultural traditions, and economic development states, their understanding of human rights generally varies and their implementation of human rights is also different. As everyone is aware, in the semicolonial and semifuedal old China, the vast number of people were deeply exploited and oppressed by imperialists, feudalists, and bureaucratic capitalists; they had no human rights at all. In front of gardens in China, there were notices reading: "Chinese and dogs are not allowed to enter." This fully suggests the position of the Chinese. Only after the founding of the People's Republic of China did China's human rights status fundamentally change. Over the last 40-odd years, the Chinese Government and people have made unremitting efforts to protect and improve human rights. China's Constitution and laws provide a real guarantee for civilians' political and economic activities, cultural education, religious beliefs, and personal freedom, as well as for the basic rights and social activities of women, children, elderly people, and the disabled. All these are explained by the white paper. What needs particular mentioning is that for historical reasons, China is a country with the biggest population in the world and is an economically backward country; striving for the right of existence and for adequate food and clothing is the first problem the Chinese people wish to solve because they had long lived in hunger and cold.

Since the founding of New China, the CPC and Chinese Government has always regarded it as their own important task to provide the people with enough food and clothing and have made great efforts in this respect. Since 1979, China has vigorously promoted economic development and introduced reform and opening, building socialism the Chinese way. As a result, China has succeeded in further developing the social productive forces, thus solving the problem of feeding and clothing its 1.1 billion people, namely, solving the problem of the right to existence. This is a historical achievement made by the CPC and Chinese Government in seeking and safeguarding human rights.

Without the CPC leadership and the socialist system, this achievement would be out of the question. At present, the CPC and the Chinese Government are leading the people of the whole country in building socialism with Chinese characteristics so the people will continue to advance toward a fairly comfortable standard of living after they have had enough food and clothing. The achievements and efforts made by the Chinese Government in safeguarding human rights and improving human rights status are there for all to see and have been fairly appraised by the people of the outside world who respect facts.

There is no denying the fact that human rights were seriously encroached upon during the "Great Cultural Revolution," when the state law was trampled underfoot. This gave us a severe lesson. The party and government have corrected this mistake and drawn a lesson through analyzing this mistake. Since the Third Plenary Session of the 11th CPC Central Committee, the party and government have vigorously strengthened socialist democracy and the socialist legal system, bringing a great change to China's condition of human rights. As long as we firmly advance along the path already defined, further promote economic construction, and strengthen democracy and the legal system, we will undoubtedly improve our condition of human rights and safeguard human rights in a more effective way.

China has consistently maintained the human rights issue is, in essence, a problem under the jurisdiction of a country. Mutual respect for sovereignty and noninterference in each other's internal affairs are established principles of international law. These principles apply in any realm, including, of course, the realm of human rights. Relevant UN documents clearly stipulate: "No country or group of countries has the right to directly or indirectly interfere with another country's internal affairs or foreign policy under any pretext," "it is obligatory for a country not to use or distort the human rights issue to sow suspicion or create confusion within another country or group of countries." China is in favor of mutual respect for sovereignty and giving priority to safeguarding the right to existence and development of the people in all developing countries, thus creating necessary conditions for the people of the whole world to enjoy various human rights. China is opposed to any country using human rights as a pretext to interfere in the internal affairs of another country, especially developing countries, and to pursue its own values, ideology, political standards, and development formulas. Using the human rights issue for the political purpose of imposing the ideology of one country on another is in fact a manifestation of hegemonism and power politics. The Chinese people, who have suffered enough from imperialists' invasion and enslavement, will not forget their experience. They will not forget when the country's independence and sovereignty were forfeited, and there was no human rights whatsoever. They fully understand that safeguarding the country's independence and sovereignty and making sure China will no longer be bullied by imperialists constitute the basic conditions for the

Chinese people to enjoy the right to existence and development. There will be no human rights if sovereignty is forfeited; to protect human rights, it is necessary to safeguard sovereignty. This is the conclusion the Chinese people have drawn from their experiences over the last 50 years. No one is allowed to interfere with China's internal affairs using human rights as a pretext and no such attempts will succeed. On the other hand, there are many human rights issues in developed countries. We maintain this is their internal affair. China will never interfere. We believe that the people in those countries will finally solve these problems.

The world continues to advance, and man continues to make progress. The road is tortuous, but the prospects are bright. The human rights situation all over the world will gradually improve and so will the human rights status in China. China is willing to continue its efforts to achieve this noble objective together with other countries in the world. With the publication of "Human Rights in China" as a momentum, the outside world will arrive at a better understanding of the status of human rights in China, and China will also make greater efforts to safeguard human rights.

#### WEN WEI PO on Document

HK0211054291 Hong Kong WEN WEI PO in Chinese  
2 Nov 91 p 2

[Editorial: "China Tells the Whole World Its Human Rights Policy"]

[Text] China published a white paper on "Human Rights in China" so that all countries and peoples of the whole world may understand the real conditions in China to draw comparisons and conduct discussions on an equal footing.

The 45,000-character white paper is translated into and published in six foreign languages, including English, French, German, Russian, Japanese, and Spanish. China tells its human rights conditions and policy to the whole world to express its sincerity in safeguarding human rights, while expressing its will to oppose hegemonism and power politics infringing on other countries' collective human rights.

The world today boasts some 160 countries with varied national conditions. The documents on international human rights possess different legal natures, in addition to the differences between various countries in their social, political, and legal systems; ideologies; value concepts; religious beliefs; and national traditions. This being the case, unanimity should not be required in implementing human rights. It is impractical to weigh the human rights conditions in other countries against the criteria of one or two countries. It is all the more unjust for hegemonists to pursue their world strategy, intervene in other countries' internal affairs and dominate other countries' development patterns under the pretext of "human rights."

Hegemonists have intervened in the political systems and development pattern of many countries in the world.

Consequently, many of the Second World and Third World countries criticized, in a clear-cut way, the practice of intervening in other countries' internal affairs under the pretext of "human rights" at many international conferences. China has done voluminous work in safeguarding human rights in the world as well as in China but has refrained from systematic propaganda about it in the past. In actual fact, China is not in the wrong. The white paper on the conditions of human rights published yesterday is precisely an explanation of policy by presenting facts and reasoning as well as a declaration on uniting the majority of countries in the world to genuinely safeguard their human rights, national unity, independence, and sovereignty.

The international protection of human rights is conducted in accordance with international law and the results of sovereign states undertaking their international obligations based on the universally acknowledged principles in international law or international treaties. This chiefly finds expression in protecting collective human rights, which include such elements as: 1) grave felonies violating human rights resulting from aggression and aggressive wars; 2) colonialism conquering and exploiting the peoples of other countries is the public enemy trampling on human rights; 3) racism is a crime that international law must condemn; 4) racial segregation is a crime that endangers mankind; 5) slavery is a vice that violates human rights; and 6) organized international terrorism is grave violation of human rights. Those who advocate "human rights know no national boundaries" have turned a blind eye to the specific contents of obligations in treaties to be undertaken by sovereign states in an attempt to fish in troubled waters.

We have a clear picture that although some people never rest for a day in prattling about "human rights," we will find that they have double standards in their criteria for human rights when we open their history or take a look at their existing foreign policies. On the Tibetan issue, for example, they praised the slavery ruler—the Dalai Lama—as "a peace fighter for human rights." They shielded Israel's atrocities in occupying Arab territories, shooting, slaughtering and arbitrarily arresting people in the occupied territories; in addition, they supplied Israel with voluminous munitions and economic aid at the cost of Arab and Palestinian human rights. Some colonial countries sent troops to their colonies in Africa and the Pacific to suppress the people there and trample on their right to survival and human rights.

China has safeguarded its national sovereignty and eliminated the phenomena by which foreign powers invaded her, slaughtering and setting fire everywhere, suffocating China's national industry and trampling on human rights on a wide scope for a century or more. China eliminated disasters in consecutive years in the old society, where extreme polarization existed, while many people died of starvation. China has developed its economy in a big way and the Chinese people are made masters of the country, with their political, economic and cultural rights and rights to survival and

development ensured. China founded the multiparty cooperation under the CPC leadership, with general election at the county level and free, democratic election system of governments at all levels established, thus enabling the people to participate in government on the most extensive scale. All this is China's accomplishments in developing human rights. No one can deny that the development of human rights is interrelated with the economic development level. When a country is backward economically, pending a solution to employment and sufficient food, people's livelihood becomes the primary content in human rights. When a country is overpopulated, the citizens' rights to employment and development will be jeopardized. Both the United States and the United Kingdom went through the primary stage of an industrial society—what were their conditions of human rights like at that time? Racial equality was not a reality in the United States prior to the 1960's; not everyone enjoyed the right to vote and equal political, economic, and cultural rights. Their conditions of human rights also went through a process of continuous improvement along with industrialization.

China's industrialization level is not on a par with the United States and the United Kingdom. China cannot excerpt history and copy their experiences intact. Nevertheless, no one can nullify China's unremitting efforts in improving its conditions of human rights.

#### **Jiang Zemin Discusses Socialism, Other Issues**

*CM041113291 Beijing RENMIN RIBAO in Chinese  
2 Nov 91 pp 1, 4*

[*"Jiang Zemin on International and Domestic Issues—Giving His Views on the Future of Socialism, Democracy, Freedom, Human Rights, and Building a New International Order"*]

[Text] Beijing, 1 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, recently had an interview at Zhongnanhai with [Arnaud de] Borchgrave, former editor in chief and currently editor at large of the U.S. paper THE WASHINGTON TIMES, and answered a wide range of questions raised by him.

Borchgrave, a 65-year-old senior and well-known American journalist, has interviewed heads of state and government leaders of more than 90 countries. Answering his questions, Jiang Zemin emphasized:

1. China will steadfastly adhere to its policy of reform and opening to the outside world.
2. In light of China's national conditions, we have decided to take a socialist road with Chinese characteristics and we are full of confidence in the future.
3. It is unrealistic, harmful, and even dangerous to attempt to fit the richly varied world into a specific mode. The new world order should be established on the basis of the five principles of peaceful coexistence. Ideology should not be put above everything else in handling state-to-state relations. Whether state-to-state

relations are good or bad depends on whether the two sides have shared common interests or followed the five principles of peaceful coexistence, not on whether their social systems and ideologies are the same or not.

During the nearly two-hour interview, Jiang Zemin explained in detail his views on such questions as the future of socialism, democracy, freedom and human rights, the establishment of a new world order, the Taiwan question, and Sino-U.S. relations.

#### On the Future of Socialism in China After the Drastic Changes in the Soviet Union and Eastern Europe

Jiang Zemin said: After the Soviet Union and Eastern Europe underwent drastic changes, some fair-minded people abroad were worried about China's future and destiny; some others went so far as to ask China to renounce socialism or even predicted that China would follow the Soviet Union.

There were many reasons why drastic changes occurred in the Soviet Union and Eastern Europe and why socialism suffered heavy losses. I do not want to comment here. As for some people who have come to predict that Chinese socialism will also fail, to say the least, I think that they have little knowledge of Chinese history and China's present reality. Chinese socialism has Chinese characteristics and is different from that of the Soviet Union or of the East European countries. The Chinese people made their historic choice of taking this road after more than 100 years of struggle and probing. Since China's liberation, and particularly since Comrade Deng Xiaoping initiated the reform and open policy at the Third Plenary Session of the 11th CPC Central Committee, we have made world-renowned achievements in all fields: Economics has grown apace, society has made progress, and the people's living standard has been greatly improved. Facts have proven that the road taken by us is completely correct; for this is the only road leading the nation to prosperity and the people to happiness. We have no reason whatsoever to change this road; on the contrary, we will unswervingly abide by the reform and opening and continue to advance along this socialist road with Chinese characteristics. As everyone can see, what we are doing is yielding very good results. We are fully confident of our future. Of course, the situation is not perfect but still needs continued improvement.

I think that the development model and social system that a country adopts must accord with its history, tradition, economic, cultural, and educational level; and its people's choice. External models or experiences can only be drawn on, not copied. China has no intention to export its model, and we also oppose attempts by others to impose any model on us, for that would be harmful to China's interests. In the long history of mankind, socialism has only a history of 70 years, and no one should come to the conclusion that socialism has come to an end because it has suffered some setbacks. In the hundreds of years of its growth, capitalism also experienced many struggles against the restoration of feudal forces.

#### On Democracy, Freedom, and Human Rights

Jiang Zemin said: It has been more than two years since I came to work for the Central Committee. I have met with many leaders and statesmen from developed Western countries, and they have discussed questions about democracy, freedom, and human rights with me.

Fundamentally speaking, democracy, freedom, and human rights refer to the people's right to subsistence and right to development in the natural world and in human society—in other words, whether or not the people have the right to actually keep their destiny in their own hands. Man's effort to keep his destiny in his own hands is closely connected with the subsistence, development, and perfection of human beings themselves. This involves political, economic, cultural, educational, and many other fields. The basic channel for achieving democracy, freedom, and human rights in a country is social progress and stability and economic development. I think that there is no point in talking about democracy, freedom, and human rights without considering social progress and economic development.

The essential thing is that democracy, freedom, and human rights are suited to the practical situation in every country. People should keep their destiny in their own hands, but this does not mean they can do whatever they like. If that were the case, society would be in chaos and there would be no normal order. A country that falls into anarchy is hopeless, and its economy cannot develop. Therefore, it is very important that individual interests should be in keeping with the public interest. Only by achieving progress in the whole of society can genuine democracy, freedom, and human rights be attained.

In short, without social stability, it will be impossible to achieve economic development; without economic development, there will be no social progress; and without progress for the whole of society, it will be impossible for human beings to take their destiny in their own hands. Thus, democracy, freedom, and human rights are but empty talk.

According to the aforesaid view, I think that in judging the situation of democracy, freedom, and human rights in a country, it is necessary to take into account the historical and cultural tradition, economic development, and social system of that country. For this reason, there is neither an absolute nor abstract version of democracy, freedom, and human rights; there is only a relative and concrete sense of democracy, freedom, and human rights. In this sense, every country has its own problems, developed capitalist countries being no exception. For example, in the United States, an economically developed country, there are 4 million homeless people and 6 million drug addicts, and about 450,000 people die of drug use each year. In China, a country with a population five times that of the United States, there are only 1.28 million criminals in custody, but in the United States, there are 1 million. This means that there are 426 criminals in custody for every 100,000

American people. In this regard, the United States ranks first in the world. Therefore, each country should first of all solve its own problems.

#### On Establishment of a New World Order

Along with profound changes in the international situation, the world's people are eager to establish a fair and new order of world politics and economy. We stand for the establishment of a new world order on the basis of mutual respect for sovereignty and territorial integrity, nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. The core of the new order is to respect the right to self-determination of the people of all countries in the world. The world presents a richly varied pattern, and the various countries are different in terms of national conditions, social systems, and modes of development. Each country should choose its own way for development and decide its economic mode and social system and its own concepts of value in accordance with its national conditions. It is unrealistic, harmful, and even dangerous to attempt to fit the richly varied world into a specific mode.

Differences in social systems and ideologies among various countries should not prevent them from conducting friendly cooperation based on common interests. Whether state-to-state relations are good or bad depends on whether the two sides have shared common interests or followed the five principles of peaceful coexistence, not on whether their social systems and ideologies are the same or not. Ideology should not be put above everything else in handling state-to-state relations. This fact has long been proven by history. During World War II, the antifascist alliance was not an alliance merely among capitalist countries. After the founding of New China, we maintained a relationship of alliance with the Soviet Union for nearly 10 years, but later the two countries confronted each other for nearly 30 years despite the fact that both are socialist countries.

#### On the Taiwan Question

Jiang Zemin said: We always hope for a peaceful reunification of the mainland and Taiwan. We hold that the Communist Party and the Kuomintang should sit down to have serious negotiations; other parties can also participate but the talks should be primarily between the Communist Party and the Kuomintang. We stand for reunifying the motherland with the "one country, two systems" concept.

Taiwan is an inalienable part of China's territory, and the Chinese people will never allow the separation of Taiwan from the country nor the establishment of the "Taiwan Republic." We have taken note that the Taiwan authorities do not support the idea of establishing a "Taiwan Republic" either. I have met with many persons from Taiwan and they all share the view that there is only one China. I hope that the countries concerned will have a sober view in this regard and will not do anything to hurt the Chinese people on this major issue.

#### On Sino-U.S. Relations

Jiang Zemin said: Sino-Japanese relations have been fully normalized. Moreover, relations between China and Western Europe have also been basically restored. However, Sino-U.S. relations have not yet returned to normal, a condition that the Chinese side is not willing to see. The mutual interests of China and the United States are still of principal importance, although the two countries have certain differences. The two countries' economies and trade are highly complementary to each other. Strengthening Sino-U.S. cooperation on international issues will be conducive to balance, peace, and stability in the Asian and Pacific region and in the world as a whole. It accords with the fundamental interests of both countries to restore their normal relations.

The Chinese Government has always attached importance to Sino-U.S. relations based on the principles set forth in the three joint communiques between the two countries. So long as both sides adhere to these principles, enhance contacts, increase trust, and respect each other, Sino-U.S. relations will be restored and developed at an early date.

#### Zou Jiahua, Zhu Rongji Said To Enter Politburo

HK0411040491 Hong Kong HSIN PAO in Chinese  
4 Nov 91 p 6

[Report: "Rong Yiren Likely To Become President of 'Cross-Strait Relations Coordination Association'; Zou Jiahua and Zhu Rongji To Join Political Bureau"]

[Text] Taiwan's CHUNG KUO SHIH PAO [CHINA TIMES] special correspondents Lu Po-hua [4151 0130 5478] and Shen Li-shan [3088 7787 1472] report from Beijing that, according to informed sources, the organizational pattern of the "Cross-Strait Relations Coordination Association," the mainland counterpart to the Straits Exchange Foundation that Beijing has been preparing to establish, has been basically defined. On the mainland, the president will be a united front personage of ministerial rank or above, but the designation of the president and the other main leaders has not been finalized. Once the president is appointed, he will meet with members of the Straits Exchange Foundation during their visit to Beijing.

The informed sources revealed: The organizational pattern of the "Cross-Strait Relations Coordination Association," has now been basically defined. There will be a president, a vice president, and a number of directors, under whom a general secretary and deputy general secretaries will also be installed.

The informed sources said that candidates for the presidency might include Rong Yiren, current vice chairman of the National People's Congress standing committee, and Qian Weichang, current vice chairman of the Chinese People's Political Consultative Conference national committee.

The vice president will be a cadre at the vice ministerial level who will be responsible for day-to-day affairs. The deputy directors of the CPC State Council Taiwan Affairs Office are all eligible, and, among them, Tang Shubei is most likely to be chosen.

Another report says that, according to informed sources in Beijing, the Eighth Plenary Session of the 13th CPC Central Committee will be convened on 20 November. This session will focus on discussing rural reform and will promote Zhu Rongji and Zou Jiahua to the Political Bureau.

The informed sources said: The CPC has decided to convene the Eighth Plenary Session on 20 November, which will mainly tackle the issue of further deepening rural reform.

The other day, CPC General Secretary Jiang Zemin stressed the importance of strengthening the construction of water conservancy works in agriculture and forestry. Recently, the CPC media have time and again mentioned the need to do a good job on constructing water conservancy works in various localities this coming winter and spring.

The informed sources also revealed: The CPC will discuss issues related to reform and construction in rural areas at the Eighth Plenary Session in order to consolidate its rural power base.

Zou Jiahua and Zhu Rongji, now occupying high positions in the government as vice premiers but relatively low positions in the party as member and alternate member of the CPC Central Committee respectively, will formally enter the Political Bureau at this plenary session to fill vacancies in Political Bureau membership.

#### Top Leader Said To Reveal Focus of CPC Session

HK0411045391 Hong Kong WEN WEI PO in Chinese 4 Nov 91 p 1

[By staff reporter Chen Chien-ping (7115 1696 1627): "Central Authorities Reiterate Need To Build Nation With Pragmatic Efforts"]

[Text] Beijing, 3 Nov—An authoritative person disclosed here that a top CPC leader stressed days ago that the central work meeting of the CPC Central Committee and the upcoming eighth plenary session will discuss the work focus of the central authorities, namely, economic construction will be an overwhelming task. The Central Committee demands pragmatic efforts in building the country and boldness in practice, rather than empty talk, he said.

This authoritative person quoted the top CPC leaders as saying: The international situation has tremendously changed in the recent period. Amid these drastic changes, the CPC did not resort to practices such as those in the 1960's. Instead, it held a central work meeting and will convene another important meeting. The central work meeting stressed the importance of

industry and the need to invigorate large and medium-sized enterprises. The other meeting will be the eighth plenary session, which will discuss the agricultural issue and the deepening of rural reform. These two meetings give expression to the spirit of reform and opening up initiated by general designer Deng Xiaoping. No matter what happens in the international situation, China will concentrate its efforts on its own affairs and its economic construction. This is an overwhelming subject.

This leader revealed: The Central Committee is of the opinion that whether economic construction can move forward is, essentially speaking, a political issue involving the destiny of socialism. Therefore, it is necessary to continue reform and opening up, which has proceeded for 12 years; retrogression will lead to nowhere. If reform is not deepened, economic construction cannot move forward. Only by carrying out economic construction will it be possible to expand the socialist force, to consolidate the socialist position, to fully display the superiority of socialism, and to effectively prevent Western countries' attempt for "peaceful evolution."

This leader said: Do not deviate from this spirit of the Central Committee. It is necessary to encourage the spirit of building the country with pragmatic efforts. The eighth plenary session will mainly discuss deepening rural reform. We should understand that rural reform for the last 10-odd years has not only solved the problem of adequate food and clothing, but has also enabled socialist China to stand firm. Without rural reform, the present-day situation would have been impossible.

He stressed: Now prominence should be given to stability and unity. Stability overwhelms everything else, and the unity of the entire party is the crux of stability.

#### Deng Reportedly Vetoes Action Against Taiwan

HK0111062991 Hong Kong CHENG MING in Chinese No. 169, 1 Nov 91 pp 11-12

[By Lo Ping (5012 0393) and Li Tzu-ching (7812 5261 0079)]

[Text] A hot news story gave rise to a chain of news events: Taiwan's Democratic Progressive Party [DPP] took a shocking action in advocating Taiwan independence and triggered off a chain of disturbances which point to differences within the top leadership of the CPC.

A group of senior CPC leaders made strong reactions to the DPP's action of including the "establishment of Taiwan Republic" in its party program.

#### Wang Zhen Said: It Is Necessary To Teach Li Teng-hui a Lesson

On 15 October, Peng Zhen said at a meeting: The DPP's "independence" action was in fact a political trick played by the Kuomintang, and its purpose was to test our position. This is a challenge against us posed by the Taiwan authorities headed by Li Teng-hui with the

covert support of some foreign forces. We should expose their sinister plan and purpose in good time and should warn them against eating their own bitter fruit.

Wang Zhen made a tougher statement. When inspecting a missile unit of the Beijing Military Region, he said: Taiwan wants to be "independent." This has been plotted by the Kuomintang reactionaries and abetted by some Western politicians. We must teach the Li Teng-hui clique of the Kuomintang a lesson. They have even ignored our statements and warnings. This time, we hold the initiative completely in our hands. If we blockade the Taiwan Strait for three months, Taiwan's economy will collapse and social turmoil will arise.

#### **The Central Military Commission Drafted Four Emergency Measures**

Wang Zhen also said angrily: We must not give up a single inch of our territory. The Kuomintang reactionaries should be aware of our position on Zhenbao Island, the Sino-Indian Border dispute, and the Nansha [Spratly] Islands disputes. Until Taiwan's return to the motherland, the Chinese nation is not completely liberated. According to the stubborn position of the Kuomintang reactionaries in Taiwan, we will have to use force to solve the problem. I will personally see this war.

Wang Zhen was not the only person who called for fighting a war. According to information from high-level military leaders, the Central Military Commission drafted four emergency measures to deal with the current situation in Taiwan at a recent meeting.

First, announce to the outside world that the PRC is facing the danger of dismemberment and order the three services stationed in coastal areas of Guangzhou and Nanjing Military Regions to second-class alert and the Liaoning and Chengdu Military Regions to third-class alert.

Second, restore the Fuzhou Military Region, with the aim of liberating Taiwan as part of China's territory.

Third, strictly forbidding the delivery of weapons and military equipment to Taiwan and pointing out that such moves interfere in China's internal affairs and aggravate separatist tendencies in Taiwan.

Fourth, reinforce the Navy and the Air Force and step up their cruises and military exercises in the Taiwan Strait.

#### **Yangs Are the Main Advocates of War**

It was said that the Yangs were the main advocates of war inside the Central Military Commission. They proposed such measures as blockading the Taiwan Strait, but this was not supported by Jiang Zemin and other people. The four emergency measures which were eventually formulated by them were comparatively "moderate," but it was obvious that they were still full of hostility and belligerence.

After the four measures were reported to Deng Xiaoping, Deng immediately summoned Jiang Zemin, Yang Shangkun, Li Peng, and Bo Yibo.

Deng Xiaoping said: It is too hasty to adopt these steps at this moment. We still need to observe the Kuomintang's behavior and action taken by Li Teng-hui and Hao Po-tsun. Those who advocate Taiwan independence are certainly unpopular. The initiative is in our hands. If the Taiwan authorities do not take action against Taiwan independence elements, then it is not too late for us to take action and make announcements to the outside world.

#### **Deng Xiaoping Said: There Must Be No Impetuosity**

Deng Xiaoping also said: There must be no impetuosity about the issue of national reunification. If their real features are exposed, it will be more reasonable to take action under a more favorable situation in the future.

Why did Deng Xiaoping flatly veto the four emergency measures?

First, although the DPP officially included "Taiwan independence" in its party program, it did not replace the Kuomintang as Taiwan's ruling party and "Taiwan independence" did not become reality.

Second, although "Taiwan independence" has been advocated for many years it has not been accepted by most people on the island and has not become a dominant factor in the political climate.

Third, the Kuomintang is also opposed to "Taiwan independence, and there is no evidence showing that it has supported Taiwan independence.

According to the cadre source, Deng Xiaoping held that under the present situation conditions were not yet ripe for adopting emergency measures. If such measures were announced, they would give China a "belligerent" image, and this would not be popular at home and abroad. Thus, China would not solve the problem "reasonably and favorably."

#### **Jiang Zemin Put Forth Five-Point Opinion on Behalf of Central Authorities**

Therefore, Deng Xiaoping's policy could only be "groping for stones in order to cross the Strait."

On 17 October, the five-point opinion on Taiwan independence Jiang Zemin put forward on behalf of the party central leadership was relayed to all provinces and municipalities.

First, it is necessary to strongly condemn the sinister activities of Taiwan independence, expose the fact that they are supported by foreign forces behind the scenes, and expose the position of the Kuomintang authorities which is internally and externally inconsistent.

Second, urge the Kuomintang authorities in Taiwan to adopt effective measures to stop the spread of Taiwan independence activities.

Third, pay close attention to the tendency and development of events, external reaction, and the next move by the Kuomintang authorities in Taiwan.

Fourth, party organizations and governments at all levels should further do a good job in fulfilling their current tasks, ensuring economic construction and accelerating military modernization.

Fifth, the regular Armed Forces as a whole should strengthen war preparations, the local reserve force and militia organizations should be built up in a down-to-earth manner. They should make contributions to national reunification and the defense of socialist modernization.

#### **There Are Differences on Taiwan Policy in the Top Leadership**

According to informed sources, Jiang Zemin's five-point opinion was based on the spirit of Deng Xiaoping's instruction. So it can also be taken as Deng's supplementary opinion after he vetoed the four emergency measures of the Central Military Commission. The smell of gun powder was obviously attenuated. It was greatly different from the rants of Wang Zhen and other people. This shows that differences exist inside the CPC leadership on the Taiwan issue.

China can only be reunified in a peaceful way. This is what people on both sides of the Strait really hope. If several aging leaders try to seek "reunification" by violence in order to realize their imperial dream, they will just push the Chinese people on both sides of the Strait to the abyss of disaster. Such war maniacs will never be forgiven by history!

#### **Song Ping Speaks to Non-CPC Leading Cadres**

*OW0211064191 Beijing XINHUA Domestic Service  
in Chinese 1246 GMT 1 Nov 91*

[By Luo Guanxing (5012 6034 2502), reporter of the Central People's Broadcasting Station; and XINHUA reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 1 Nov (XINHUA)—Speaking to non-CPC leading cadres at an informal meeting at Zhongnanhai's Huairen Hall, Song Ping, member of the Standing Committee of the CPC Central Committee Political Bureau, said today that one long-term policy of the CPC is to appoint outstanding democrats and people without party affiliations to work at leading positions at government departments.

The non-CPC leading cadres present at the meeting were students attending the second special study class for non-CPC leading cadres—which the Central Institute of Socialism sponsors on the commission of the Organization Department and the United Front Department of the CPC Central Committee.

Song Ping expressed satisfaction over the students' accomplishments. He said to them: Your average age is 52. Most of you grew up after the founding of the People's Republic of China. With an ardent love for socialism, you have worked

very hard and accomplished good results in performing your duties at various leading posts. This is very commendable. It also shows that the CPC's united front policy is successful, and that all democratic parties have people like you to succeed their causes.

Song Ping said: There is no limit to knowledge. While it is important to assemble people from time to time to study, it is even more important to make studying into a routine, daily affair. I hope that, after returning to your respective units, you will continue to intensify your study of Marxism-Leninism-Mao Zedong Thought. Your study should be closely linked with the current situation and assignments, and with your actual states of mind. This study program is meant to help us adhere to the right course and reaffirm our conviction in socialism and in upholding the basic objective of serving the people wholeheartedly so that we will not waver in the face of storms, but dare to fight all types of irregularities for the sake of the interests of the state and the people. Whenever you are earnest in your studies, you will mature rapidly.

Song Ping said: We are still confronting many problems in achieving socialist modernizations. This requires all cadres, be they CPC members or not, to work in unity in surmounting difficulties. Members of the CPC and all democratic parties have developed a long and profound friendship with each other. Party member-cadres and non-CPC cadres should have heart-to-heart talks regularly. They should learn from one another, help one another, and become bosom friends. Song Ping stressed that party committees at all levels should attach importance to training non-CPC cadres and take active steps to create conditions for them so that the young and outstanding personnel can mature as quickly as possible.

The meeting was chaired by Ding Guangen, alternate member of the CPC Central Committee Political Bureau and head of the United Front Department of the CPC Central Committee.

Luo Gan, secretary general of the State Council; Zhao Dongwan, minister of personnel affairs; and leading comrades of the Organization Department, United Front Department, and Institute of Socialism of the CPC Central Committee attended the meeting.

Zhao Zongnai, deputy head of the Organization Department of the CPC Central Committee, gave a report about the study class.

The study class, which began on 5 May, has 22 students. They are from 19 provinces, autonomous regions, municipalities directly under the central government, and three ministries under the State Council. These students are vice ministers, vice governors, vice chairmen, vice mayors, and deputy directors of provincial departments. Among them, 16 are members of democratic parties, and six are not affiliated with any party.

The study class is dedicated to studying basic theories about building a Chinese-style socialist society, the basic

united front theory in Marxism-Leninism-Mao Zedong Thought, general and specific united front policies during the new period, the responsibilities of non-CPC leading cadres in building a Chinese-style socialist society and in improving the system of carrying out multiparty cooperation and political consultations under the CPC leadership, and the way to work with cadres who are CPC members in government organizations.

During the meeting, Wang Wenyuan, Liu Heng, Gying Puncog Cedain, Xiao Yanjun, Guo Youzhong, Chen Keying, Wang Liangfu, and Feng Jionghua reported to Song Ping about what they have learned from the study class. Their major gains, according to them, are: First, they have reaffirmed their conviction in socialism and they have had a better understanding of the CPC basic lines and of socialist economy, political affairs, and culture with distinctive Chinese characteristics. Second, they have had a clearer idea about the policy of focusing on economic construction and the relationship between upholding the four cardinal principles and carrying out reform and opening to the outside world. Third, they have had a clearer idea of the importance, necessity, protracted nature, and basic tasks of the united front; and about the important significance that CPC-led multiparty cooperation and political consultations has had on promoting socialist modernization, reform, and openness. Fourth, they have had a clearer idea of the historical responsibilities and solemn mission for non-CPC leading cadres in carrying out the grand assignments of building a Chinese-style socialist society, achieving the second-step strategic objective of the national economy, and reunifying the motherland. Fifth, they have, through study and exchanging experiences, broadened their vision, gained fresh leadership experiences, and laid a good foundation for carrying out lateral ties and cooperation in the future.

#### Books on Rural Ideological Education Published

OW3010175291 Beijing XINHUA Domestic Service  
in Chinese 0507 GMT 30 Oct 91

[Text] Beijing, 30 Oct (XINHUA)—A *Collection of Books on Socialist Ideological Education in Rural Areas* has been published by the Rural Literature Publishing House. Song Ping, member of the Standing Committee of the CPC Political Bureau, wrote a preface to the collection entitled "Further Consolidate the Socialist Front in Rural Areas."

This collection is composed of three volumes: *A Guide to Socialist Ideological Education in Rural Areas*, *A Guide to Rural Policy*, and *A Guide to Rural Laws and Regulations*. The collection is jointly compiled by the relevant comrades, experts, and scholars in the CPC Central Policy Research Center, the Central Propaganda Department, the Central Organization Department, the Central Party School, the State Council's Department of Policy Research, the Ministry of Agriculture, and the State Council's Development Research Center.

An important feature of the collection is that, based on the stand, viewpoints, and methodology of Marxism-Leninism-Mao Zedong Thought, as well as on the guiding principles of the relevant documents of the Party Central Committee, it has combined socialist ideological educational activities in rural areas with practical experience in rural reform and construction, and has expounded in simple language the significance, guiding ideology, principles and policies, educational contents, and working methods of launching socialist ideological education. It has pointed out certain regularities in unfolding socialist ideological education, and has provided answers to some issues of general interest to rural cadres at the grassroots level and members of working force. It has also explained the profound rural policy, laws, and regulations in simple terms, and has passed on some typical experiences. The collection is of vital guiding significance and practical value in developing socialist ideological education and in pushing forward rural reform and development.

#### Song Ping Prefaces Collection

OW3010190591 Beijing XINHUA Domestic Service  
in Chinese 0650 GMT 30 Oct 91

[“Preface” by Song Ping (1345-1627) to *Collection of Books on Socialist Ideological Education in Rural Areas*: “Further Consolidate the Socialist Front in Rural Areas”]

[Text] Beijing, 30 October (XINHUA)—The party Central Committee and the State Council have decided to conduct socialist ideological education in stages and groups over the next two to three years in rural areas across the country. This is a major initiative adopted under the new situation to strengthen and improve the party's leadership over its work in the countryside, to further consolidate the socialist front in rural areas, to spur rural economic development, and to promote the intensification of reform. It is also an important aspect of building socialist spiritual civilization in rural areas.

Currently, socialist ideological education is being carried out continuously in the countryside. Facts indicate that all localities with strong leadership and conscientious work attitudes have achieved good results. These localities have enhanced the belief of the vast numbers of peasants in supporting the party's leadership and in upholding the socialist road, and have further implemented the party's rural economic policies. They have also intensified their reform efforts gradually, made new progress in building material and spiritual civilization, strengthened village-level organizations based on party branches, and brought changes to some backward villages. They have forged close relations between cadres and the people, improved public order, conducted socialist ideological education, gained the support of grass-roots cadres, and brought joy to the broad ranks of peasants. We should steadfastly carry on this task.

Of our country's population of 1.1 billion, 900 million people live in rural areas. Peasants' problems have

always been fundamental problems in China's revolution and construction. We cannot possibly succeed in our revolution and construction without the support and participation of the vast numbers of peasants. Leading 900 million peasants to form a worker-peasant alliance with the working class and to reinforce such an alliance is our party's great creative act of applying the universal truth of Marxism and Leninism to China's specific conditions. It is also an important guarantee of stable political, economic, and social development in our country. During the 1980s, our country attracted international attention with its phenomenal success in rural reform and development, and managed to bring profound changes to all rural areas, thanks to peasants' initiative unleashed by the party's correct policies. In accordance with the strategic objective set by the party Central Committee to pursue national economic and social development in three stages, our country should achieve new gains in agriculture and in its work in rural areas during the 1990s to bring new changes to rural society. This objective is glorious but formidable. Nevertheless, it can be realized. The key to achieving this objective lies in fully motivating the vast numbers of peasants. The experiences of some localities indicate that an effective way to arouse the socialist enthusiasm of the broad ranks of peasants, to attain the goals of the 1990s, and to build new socialist rural areas is to guide the peasants to foster a strong concept of loving the country, the collective, and socialism through socialist ideological education, to implement the party's various rural economic policies, and to perform an admirable job in building primary organizations.

The experiences of various localities tell us that the key to improving socialist ideological education in rural areas lies in thorough implementation of this task by party committees at all levels. These party committees should view this task as an overall measure for promoting work in rural areas and should incorporate it into their important programs. Leading comrades of party committees should adopt a hands-on approach, conduct investigations and studies, seriously review and publicize positive experiences, uncover problems indicating certain tendencies, and study and promptly resolve those problems. When conducting ideological education, it is necessary to take actual local conditions into account, earnestly solve the problems that the people eagerly want resolved, strengthen the construction of work teams, select and assign competent cadres to head those teams, and send government functionaries to help grass-roots units as part of the effort to temper and improve cadres and to promote changes in organizational style. Comrades sent to the grass roots should rely on primary organizations to conduct their work and should not monopolize all jobs. Socialist ideological education can be conducted in stages and groups in rural areas so as to concentrate efforts and enhance guidance. Efforts should be made to ensure the success of each group. It is essential to stress practical results and to avoid perfunctoriness and formalism. Areas that have basically concluded such education after carrying it out intensively

should study ways to consolidate their achievements and should carry on the education as an ongoing task.

In conducting socialist ideological education, it is necessary to strengthen primary organizations and to give full play to the central leading role of party branches and the exemplary vanguard role of CPC members. The grand cause of building new socialist rural areas is full of promise as long as our party organizations are strong, are good at adopting policies to arouse peasants' socialist enthusiasm and at conducting thoroughgoing and painstaking ideological and political work, and are capable of organizing the broad ranks of peasants to realize the party's various tasks in rural areas.

#### **Expelled Australian Claims Religious 'Crackdown'**

*HK0311045591 Hong Kong SOUTH CHINA MORNING POST in English 2 Nov 91 p 3*

[By Jonathan Braude]

[Text] An Australian businessman spoke out yesterday after he was expelled from Shanghai in what he was told by Public Security officials was a crackdown on Jehovah's Witnesses in the city and on foreigners and locals talking about the Bible.

Mr Noel Steenson, whose family followed him to Hong Kong last week, said many of their friends had been thrown into prison, and he feared other Jehovah's witnesses in Shanghai had also been jailed.

"Some of them are old women 60 or 70 years old. This is what I cannot understand," he said, warning other religious groups were being targeted as well.

The 43-year-old Brisbane-born export agent, who has heavy investments in China and represents a number of major foreign companies in Shanghai, was put on a plane to Hong Kong last Sunday after 20 hours of interrogation. He said foreign businessmen would be scared off doing business in China by such heavy-handed action.

Telling his story yesterday, just one day after China published a wide-ranging manifesto detailing the country's "firm commitment" to the protection of human rights, Mr Steenson said: "I'm sure high officials in Beijing would not like to see Australian businessmen kicked out."

He said he believed the crackdown had been ordered by the head of the Religious Affairs Bureau in Shanghai.

"I'm convinced the order could not have come from Beijing. I'm sure they would not want this to be happening," said Mr Steenson.

He said he had never tried to preach door to door in China and only discussed the Bible in his own home.

He had, however, discussed the Bible with senior officials, including a Communist Party secretary and the brother of the Mayor of Shantou when they asked him

about his background. And none of them had suggested there was anything illegal about it. "In fact they showed interest in what I told them," he said in a statement he sent to the Australian Consul General in Shanghai on his arrival in Hong Kong.

"I cannot go back to China, because they have cancelled my visa," he said holding out his passport with the words "this visa will not be renewed" stamped across two pages.

During his interrogation, he was told most of the Jehovah's Witnesses in Shanghai had been arrested.

**Official Claims Drug Problems Worsen 'Noticeably'**  
HK0411110291 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0747 GMT 4 Nov 91

[Text] Hong Kong, 4 Nov (ZHONGGUO TONGXUN SHE)—In recent years international drug trafficking activities and infiltration in China have gradually intensified along with China's increasing exchanges with the outside world, reviving the once-eradicated drug problems.

In a statement to the magazine TZU CHING [BAU-HINIA] yesterday, Public Security Vice Minister Gu Linfang revealed that in 1990 Chinese public security organs seized 782 kg of opium and 1,632 kg of heroin respectively—a one-fold and almost two-fold increase from 1989. In the first half of this year 1,233 kg of opium and 1,153 kg of heroin were seized, representing a notable increase from the same period last year. In a big drug trafficking case cracked early last year, 221 kg of heroin, seven firearms and 500 rounds of ammunition were seized. He stated: We can say our drug-banning efforts have been very effective, though drug problems in China have noticeably worsened over the last few years.

Gu Linfang pointed out that China's drug problems are characterized by cross-border drug trafficking. Judging from the cases cracked, the main incoming route lies in Yunnan border regions adjacent to the "Golden Triangle." Most of the drugs flow through this route, most of which just cross China via Guangdong, Hong Kong, and Macao on their way to international drug markets. Heroin is becoming the main drug for trafficking. And China has been directly hit as drug trafficking increasingly uses it as the gateway. Drug addicts in border regions have significantly increased and drug problems appeared in localities which lie on the drug trafficking routes. So far 70,000 people have been registered as drug addicts.

Gu Linfang reiterated that in the future China will remain resolute in enforcing its principle of seizing drugs, punishing drug traffickers, dealing with growing of drug plants and rehabilitating drug addicts, punishing and dealing with drug-related criminal activities according to law, and working to eliminate and prevent the harmful effects of drugs. At the same time it will cooperate actively with international drug organizations and neighboring countries and regions, and contribute its efforts to international cause of banning drugs.

**Yunnan Scores 'Marked Results' in Antidrug Work**

HK0111110991 Beijing RENMIN RIBAO in Chinese 23 Oct 91 p 4

[Dispatch by reporter Ren Weidong (0117 4850 2639): "Yunnan Province Scores Remarkable Results in Anti-drug Campaign"]

[Text] Kunming, 21 Oct (RENMIN RIBAO)—Zhao Tingguang, Yunnan vice governor and vice chairman of the provincial antidrug committee, said today at the provincial antidrug conference that Yunnan Province, which is the main battlefield for the fight against drugs, has scored marked result in antidrug work.

Yunnan Province, which is situated in our country's southwest border, is near the "Golden Triangle," one of the world's three major originating sources for drugs. Since the 1980's, due to the influence of the rampant drug flow into the international community, the penetration of drugs from outside the border has become increasingly serious; international drug trafficking groups and elements have tried to carry drugs to the international market via Yunnan, to the extent that drug-related crimes, which subsided for years, have resurfaced in Yunnan, harming the province. Yunnan attached great importance to antidrug work, established a provincial leadership group for antidrug work, and established 77 special antidrug teams. In June 1990, the provincial party committee and government formulated a policy of "combining blockage of sources with the three prohibitions (prohibit trafficking, addiction, and cultivation), and tackling both the phenomenon and the root." Through strenuous efforts, Yunnan has made great progress in the struggle against drugs.

Before 1988, the number of drug cases cracked in Yunnan was 70 percent of the total number of drug cases in the whole country, and the seized drugs, such as heroin, accounted for 80 percent of the country's total. From January to August this year, compared with the same period last year, the number of heroin cases cracked in the province increased 63 percent, while the quantity of heroin seized increased 21 percent, and the number of drug traffickers arrested increased 42 percent. At present, the province has established 85 permanent drug treatment clinics to help drug addicts give up their drug habit.

Initiated and guided by the central department concerned, Yunnan has actively participated in international antidrug cooperation, cracked down on a number of big international drug trafficking cases, and discussed the problem of joint efforts in antidrug work and signed agreements with UN antidrug organizations and with the countries concerned.

**Tibet Armed Police Attend Beijing Meeting**

HK3110100591 Beijing XINHUA Domestic Service  
in Chinese 2122 GMT 29 Oct 91

[“Newsletter” by XINHUA correspondent Lan Huaguo (5695 5478 0948)]

[Text] Beijing, 30 Oct (XINHUA)—The autumn scenery is charming and the weather is agreeable in Beijing during October. This beautiful season saw the opening of the congress of representatives of advanced collectives and outstanding individuals contributing to the development of grass-roots organizations of armed police forces in Beijing.

Entrusted by all the armed police commanders and fighters throughout the Tibet Autonomous Region, a 13-member delegation from the Tibet Armed Police Force, headed by Political Commissar Zhang Zhu, arrived by plane on 11 October from the plateau far away in the southwestern border area, to attend the grand meeting in the capital, bringing along with them the Tibetan people's best regards. Commanded at the congress were two advanced collectives and nine outstanding individuals from Tibet, among advanced collectives and outstanding individuals from other parts of the country. They were the eighth squadron of the first detachment directly under the Tibet Armed Police Force; the Tingri county squadron; and nine outstanding individuals, including Luosang Lajia, who, of Tibetan nationality, is the leader of the Qamdo armed police detachment fire-fighting squadron. More than 400 representatives from the Tibet Armed Police Force and from units stationed in other parts of the country gathered at the Jingxi Guesthouse, reviewing the past, looking forward to the future, and drawing up a new blueprint for the Armed Police Forces.

Situated on the “roof of the world,” the Tibet Autonomous Region has its special geographical environment, beautiful plateau scenery, and many natural spectacles. The vast number of commanders and fighters, working and living in a tough environment on the Tibetan plateau, have dedicated their youth to their beloved party, motherland, and people; and have made great contributions to safeguarding Tibet's national unity, nationality solidarity, and the stability and prosperity.

Because of this, the Tibet Armed Police Forces representatives were accorded with more respectful and enthusiastic welcome than others upon their arrival in Beijing. Armed Police Forces leaders, including Commander Zhou Yushu and Political Commissar Xu Shouzeng, when chatting with Zhang Zhu on many occasions, all praised the Tibet Armed Police Force commanders and fighters for their outstanding performance. In the short period of eight days, the delegation members were deeply impressed by the high appreciation and respect for the Tibet Armed Police Force commanders and fighters expressed by all the people they met, from the

central leaders and leading officials of the Armed Police Forces headquarters to the ordinary servicemen and people in the capital.

The Tibetan delegation members met to study and discuss in the second floor conference room of the Armed Police Forces Xidan Guesthouse. One morning, Xu Shouzeng, armed police forces political commissar, arrived at that conference room immediately after breakfast to join the Tibet delegation in their study and discussion. As soon as he was seated, he asked delegation members about their everyday life with concern. The general's kind and amiable attitude dispelled the delegation members' misgivings, and they began to speak out freely. Having heard the representatives' briefings on their work, the general was deeply moved. He said: “Among the more than 30 armed police forces in this country, yours works under the most difficult conditions. Despite the poor environment, extremely difficult conditions, and arduous tasks, you have been devoted to your duties and have been working very hard, fearing no difficulties. Your performance is first rate.” A representative wearing an armed police badge sitting opposite to Political Commissar Xu was particularly noteworthy. This armed police officer was Xu Hanyong, an outstanding squad leader from the Ngari armed police detachment. As the living conditions are extremely tough in Ngari Prefecture, which is called the “roof on the roof of the world,” it is particularly difficult to operate well an armed police force unit there. As a squad leader, Xu Hanyong has never flinched from any difficulties but has made every effort to keep his unit in good condition and build it into an outstanding squad among others of the detachment. Zhang Zhu, the political commissar of the Tibet Regional Armed Police Force, gave a briefing on Xu Hanyong's good deeds. Having heard the briefing, Political Commissar Xu stood up and approached Xu Hanyong. Holding the officer's hands tightly, the general said: “Terrific indeed! You have achieved something marvelous under the most difficult circumstances. I must learn from you!” “We seldom visit Tibet, and you have still fewer opportunities to come to Beijing from Tibet. Let me have a photograph taken with you.” At General Xu's suggestion, the photographer took a group photograph of the general and the Tibet Armed Police Force Delegation.

“Excuse me, could you tell me which is Pan Jihua's room?” “Do you know He Tingkai?” As soon as the congress opened, reporters swarmed to the guesthouse where the Tibetan delegation stayed, trying to contact their would-be interviewees. Captain Pan Jihua, commander of the Lhasa Armed Police Force detachment's third squadron, has developed a set of effective procedures for implementing the “Outline for Building Grass-Roots Units.” He had been frequently seconded to some poorly operated squadrons. He always readily accepted new assignments and worked very hard. Soon after he was transferred to a new post, he managed to turn the formerly poorly operated squadron into an advanced unit. For his outstanding performance he has been

awarded the class three commendation four times. He Tingkai, a squad leader on the Nyainrong County squadron of the Nagqu detachment, has worked in Nyainrong for six years, ever since he enlisted in the armed police forces. Because Nyainrong County is a place with difficult access and dominated by very bad weather, few people like to work there. With amazing willpower and scientific methods, He Tingkai has efficiently managed his squad. With every fighter keeping his mind on his work, He Tingkai's squad has been elected as an advanced collective every year, and he himself has won merit citations many times. Pan Jihua and He Tingkai's achievements are nothing amazing. But it is by no means easy for them to achieve so great a success under such difficult circumstances. That is why reporters have shown great interest in the lives of the Tibetan armed police force units. During the congress, reporters from JIEFANGJUN BAO, ZHONGGUO QINGNIAN BAO, RENMIN WUJING BAO, RENMIN GONGAN BAO, and other news media in the capital interviewed Pan Jihua and He Tingkai.

Wu Liji, Zhu Chongqing, Li Kejun, and Yang Lu, who were recently elected "China's Most Outstanding Youths" during the second "China's 10 Most Outstanding Youths" election, specially called on the representatives during the congress of representatives of advanced collectives and outstanding individuals of the Armed Police Forces. They joined the representatives in a gathering. The most outstanding youth title winners all pledged to learn from the advanced collectives and outstanding individuals and from all the Armed Police Forces commanders and fighters as well, particularly from the Tibet armed police units who had displayed a great spirit of hard work and utter devotion. The Tibet Armed Police Force representatives were all deeply moved by the praise and appreciation. "The purpose of our present visit to Beijing is to learn from others' valuable experience," they said. "During our short stay here we have heard about the good deeds and learned from the good experience of advanced armed police force units. We are going to bring what we have learned here back to the Tibetan Plateau, and use it as a guidance and impetus for the development of the Tibet Armed Police Force."

#### More on End of NPC Standing Committee Meeting

OW3110040191 Beijing XINHUA Domestic Service  
in Chinese 0953 GMT 30 Oct 91

[By reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 30 Oct (XINHUA)—The six-day 22d meeting of the Seventh Standing Committee of the National People's Congress [NPC] closed at the Great Hall of the People this afternoon after adopting the Law on Quarantine of Imported and Exported Flora and Fauna of the People's Republic of China. Wan Li, chairman of the NPC Standing Committee, presided over the meeting.

The Law on Quarantine of Imported and Exported Flora and Fauna of the People's Republic of China, promulgated in accordance with Decree No. 53 and signed by President Yang Shangkun, contains eight chapters and 50 [as received] articles, with a total wordage of more than 6,000 characters. The law will become effective on 1 April 1992. The Regulations Governing the Quarantine of Imported and Exported Flora and Fauna promulgated by the State Council in 1982 will be rescinded at the same time.

Through voting, the meeting adopted a decision of the NPC Standing Committee on opening Wuhan, Jiujiang, and Wuhu harbors to foreign ships and a decision on approving "No. 4 Additional Protocol on the Organization of the Universal Postal Union." The meeting also approved reports on examining and handling motions of NPC deputies by the Internal and Judicial Affairs Committee, the Financial and Economic Committee and the Education, Science, Culture and Public Health Committee as requested by the Presidium of the Fourth Congress of the Seventh NPC. Through voting, members of the NPC Standing Committee approved a number of appointments and dismissals.

This morning, the 22d meeting of the Seventh NPC Standing Committee held a plenary session to discuss various matters. Member Li Chonghuai expressed his opinion on time and conditions for the opening of Wuhan Harbor to foreign ships; member Cai Zimin expressed his opinion on the situation of implementing the Law on Protecting Historical Relics in Shaanxi Province on behalf of the six members of the NPC Standing Committee who took an inspection tour to that province; member Wang Houde expressed his opinion on the situation of banning narcotics in Yunnan Province on behalf of the 16 members of the NPC Standing Committee who made an inspection trip to that province; member Huang Yukun expressed his opinion on reducing pollution in the Jiao He and protecting the ancient Zhaozhou Bridge; member Li Quiying expressed her opinion on the effort to ban drugs; member Xu Qichao expressed his opinion on legislative work; and member He Ying expressed his opinion on resolutely foiling the scheme of "peaceful evolution" conducted by hostile forces at home and abroad against our country.

Vice chairmen of the NPC Standing Committee attending the meeting were Peng Chong, Ngapoi Ngawang Jigme, Seypidin Aze, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong and Wang Hanbin. State Councillor Li Guixian and Vice Premier of the State Council Zhu Rongji attended the meeting in the afternoon and morning respectively. Ren Jianxin, president of the Supreme People's Court, attended today's meeting as an observer.

#### Economic & Agricultural

#### Li Peng Inspects Shandong 26 Oct-4 Nov

OW0411112691 Beijing XINHUA Domestic Service  
in Chinese 0604 GMT 4 Nov 91

[By reporters Yang Fengshan (2799 7685 1427) and He Ping (0149 1627): "Li Peng Inspects Shandong"]

[Text] Jinan, 4 Nov (XINHUA)—During an inspection tour of agriculture in Shandong, Premier Li Peng disclosed that the central authorities will soon concentrate efforts to study issues related to agriculture and summarize rural work in all fields so as to increase the whole party's awareness of the primary importance of agriculture, promote the building of "two civilizations" in rural areas, and scale new heights in agricultural production and rural work.

Accompanied by Jiang Chunyun, secretary of the Shandong provincial party committee, and Zhao Zhihao, governor, Premier Li Peng and State Councillor Chen Junsheng successively inspected Yantai, Weihai, Qingdao, Weifang, Rizhao, Dongying, Zibo, and other places in Shandong from 26 October to 4 November. Li Peng and his party went to factories, villages, and drilling platforms in oilfields. He also visited houses of workers and farmers, mingling and chatting with cadres and common people. At a flood-control construction site on the Yi He in Qufu, he joined laborers in shoveling soil. He exhorted local cadres that a long-range overall plan plus persistent efforts will definitely produce fruitful results in farmland capital construction.

Li Peng said: Like other parts of the country, Shandong has seen another good year in agricultural production this year. However, despite the bumper harvest, we should not slacken our efforts to promote agriculture. We should have both confidence and a sense of urgency about the development of agriculture. To persistently reinforce the basic position of agriculture is of particular importance in view of the effects of population growth and natural disaster on agriculture, and of the objectives of developing a large-scale agriculture, improving the people's diet, and realizing relative prosperity. Stabilization of agriculture will promote the stability of the country which will in turn promote the stability of the whole country. Therefore, we should implement the party's policies, increase input in farm production, promote the application of agricultural science and technology, step up farmland capital construction, and develop diversified economy centering on grain processing so as to consolidate the basic position of agriculture. We should deepen and expand the scale of production by giving different kinds of guidance based on the special characteristics of plains and mountainous and coastal regions.

In the course of inspection, the premier repeatedly stressed the importance of upholding the party's basic policies in rural areas; continuing to stabilize the responsibility system, with household contracting linking output with remuneration as the main form; improving the dual management system that combines household with collective operations; vigorously developing the socialized service system in rural areas; and gradually boosting the strength of the collective economy. He emphatically pointed out that the key to ensuring the success of rural work lies in strengthening grass-roots construction with party branches as the nucleus. Without so doing, it will be difficult to ensure the implementation

of the party's policies and the construction of "two civilizations" in rural areas.

After an on-the-spot inspection of socialized services at the county, township, and village levels in Zhucheng and Huantai, Li Peng pointed out: We should actively expand socialized services in various forms, because they can not only help resolve problems faced by individual households and make small household farm production more commercialized, modernized, and socialized, but also boost the strength of the collective economy. This is the only way to develop socialist agriculture with Chinese characteristics. He said: Government economic and technical departments at the county and township levels should therefore make certain changes in their functions, and increase socialized services for rural areas so as to gradually transform government organizations into economic entities and enable "small governments to provide extensive services." There is much that can be learned from Shandong's experience in reforming government functions at the county and township levels.

During the inspection, the premier especially discussed the issue on "first, crop cultivation; second, aquatic breeding; and third, processing industries." He said: To integrate crop cultivation with aquatic breeding and develop processing industries based on the integration is of universal significance to the whole country. Aquatic breeding can help change the planting of grain crops to the cultivation of other crops and return straw directly to the soil. In this way, we can increase organic manure and cut down on the use of chemical fertilizers, lower the cost, and raise the fertility of soil, thereby facilitating a healthy cycle of agricultural production and achieving both high yield and high efficiency. He said: There are many ways to develop village and township enterprises. However, focus should be placed on the processing of farm and sideline products so as to increase their value and raise the income of peasants.

While in Shandong, Li Peng also inspected the Shijiangang Harbor, Shengli Oilfield, Qilu Petrochemical Corporation, and other large enterprises, where he attended discussions with directors and managers. He especially urged large and medium-sized enterprises to earnestly implement the guidelines of the Central Work Conference, and strive to transform the operational mechanism of enterprises. They should follow market trends in actively developing new products and further invigorate enterprises so as to consolidate the economic foundations of the socialist public ownership.

In the coastal open cities of Yantai and Qingdao, Li Peng visited the economic and technological development zones. He pointed out: Bringing into full play the coastal region's advantages in opening to the outside world is of strategic significance for accelerating the local economic development, and promoting and stimulating the national economic development and rejuvenation. In developing an export-oriented economy, it is necessary to pay particular attention to industries applying high and new technologies.

After listening to a work report of the Shandong provincial party committee and the provincial government at the end of his inspection tour, the premier fully affirmed Shandong's achievements in building material and spiritual civilization in recent years. He urged the provincial party and government leaders, under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus, to contribute more to building socialism with Chinese characteristics. He put forward some demands on Shandong Province with regard to the industrial policy, urban construction, and popularization of pilot projects.

During the inspection, Li Peng also visited the Jinan Military Region and a naval vessel to extend greetings to commanders and fighters.

#### Forum Views Reforming Commercial Enterprises

OW0311045091 Beijing Central People's Radio Network in Mandarin 1030 GMT 1 Nov 91

[From the "National Hookup" program]

[Text] A national forum held in Chongqing today on invigorating state-run cooperative and commercial enterprises asserted that the key to invigorating state-run cooperative and commercial enterprises lies on deepening reform, and that deepening reform should center on improving enterprises' management mechanism.

In the last few years, state-run cooperative and commercial enterprises' sales have dropped, profits declined, and operational costs increased. The forum held that, to increase the vitality of state-run cooperative and commercial enterprises, it is necessary to truthfully enforce the "Enterprise Law"; to ensure that enterprises are given appropriate decision-making powers; and, within enterprises, to ensure that decision-making powers in personnel management, hiring, distribution, and organ establishment are properly exercised. The forum held that the "four liberalizations" implemented among commercial enterprises in Chongqing are an effective measure to enforce the "Enterprise Law."

Those attending the forum were of the opinion that: Currently, we should continue to refine the second-phase contract of state-run commercial enterprises, expand the scope of the experiment on separating taxes from profits, and continue to experiment on various types of the shareholder system. Wholesale enterprises that have suffered serious losses should change their management philosophy and the style of running a business, and adjust enterprises' organizational structure that puts too much effort on procurement and too little on marketing. In addition, we should break the isolation between departments and localities and develop a unified socialist market. Concerned departments and localities must not arbitrarily include decontrolled products in their mandatory management plans. We should minimize administrative interference and ease enterprises' burdens.

The Chongqing city government briefed the forum on its experience in delegating to commercial enterprises decision-making powers in management, prices, distribution, and hiring.

The forum was jointly held by the State Commission for Restructuring the Economy and Ministry of Commerce.

#### Tian Jiyun on Enlivening Commerce

OW0411062691 Beijing XINHUA Domestic Service in Chinese 0907 GMT 3 Nov 91

[By RENMIN RIBAO reporter Pan Gang (3382 1511) and XINHUA reporter Xiang Hu (0686 5706)]

[Text] Chongqing, 3 November (XINHUA)—Addressing a national forum held here on invigorating state-run cooperative commerce [guo he shang ye 0948 0578 0794 2814], Tian Jiyun, vice premier of the State Council, today pointed out that the only way to solve the present problems of shrinking business turnover and declining efficiency in state-run cooperative commerce is to further push on and deepen reform so as to enable it to fight for survival through reforms and strive for development under competition.

Tian Jiyun said: Through the great strides made and conspicuous achievements scored since the Third Plenary Session of the 11th CPC Central Committee, commercial reform has played a significant role in promoting China's socialist construction and improving the people's livelihood. Practice proved that reform and opening up to the outside world are the ways to advancement and development, and that the full utilization of market mechanism and relaxation of restrictions are an effective measure to move commodities.

Tian Jiyun noted: Circulation is an important stage of the social reproduction process, and is a bridge linking production with marketing, industry with agriculture, and urban areas with the countryside. State-run cooperative commerce is the leading force in the commodity circulation sector of an economy based on public ownership, as well as an important source of state revenue. To improve circulation, we must first invigorate state-run cooperative commerce. The invigoration of state-run cooperative commerce is not merely an economic issue, but also a political issue as to whether the superiority of the socialist system could be brought into play. Hence, it has profound political significance besides important economic significance. Faced with many difficulties at the moment, state-run cooperative commercial enterprises are in the grim situation of shrinking business turnover and declining efficiency. Of the many factors contributing to these problems, the main one is their lack of vitality which places them in a disadvantageous position in the face of fierce multi-channel and multi-sector competition. How do we solve the present problems in state-run cooperative commerce and extricate ourselves from the disadvantageous situation? The only way is to deepen the reform, transform the operational mechanism, and improve our own competitiveness.

Tian Jiyun fully affirmed Chongqing's accomplishment in liberalizing state-run cooperative commerce in deciding on its operation, pricing, distribution, and hiring. He said: To invigorate socialist state-owned commerce, we must give the enterprises the necessary powers and opportunity to freely transform their internal operational mechanism. Chongqing's experience in the "four liberalizations" is a helpful exploration and an encouraging and important step in this direction that brings about a breakthrough in commercial reform. The principles of the "four liberalizations" is the "relaxation of state control, stricter management by enterprises, liberalization within limits, and unrestricted but orderly operation." The move to push the enterprises into the market—all the while under the state's macroeconomic control—and enable them to gradually become commodity dealers that operate independently and assume full responsibility for their profits and losses is in line with the guidelines of the central work conference on deepening the reform and invigorating large and medium-sized state-run enterprises. In reforming the commercial structure, we should move in the direction of building an economic operational mechanism that combines the planned economy with market regulation; adhere to the principle of "three controls and three decontrols"—control the major areas and decontrol the minor ones, control wholesale and decontrol retail, and control important capital goods and daily necessities that affect the national economy and the people's livelihood and decontrol others; and draw lessons from the experience of various localities in deepening reform so as to bring about constant advancement.

Describing ways to further invigorate state-run cooperative commercial enterprises, Tian Jiyun stressed that as commercial reform is now coming to a turning point, people's governments at all levels must first realistically strengthen their leadership over commercial work. Guidelines and principles for invigorating large and medium-sized state-run enterprises can also be applied to state-run commercial enterprises. It is necessary to earnestly implement the guidelines of the central work conference and place high on their agenda the invigoration of state-run cooperative commercial enterprises so as to enthusiastically study the issue and push commercial reform to a new stage. Second, they should emphasize transforming the internal mechanism of enterprises and improving enterprise vitality. To invigorate state-run cooperative commercial enterprises, it is necessary to seriously implement the "Enterprise Law" that relaxes restrictions on enterprises and restores their powers. Aside from an essential external environment created by the state, enterprises themselves must deepen internal reform, strengthen management, improve the quality of services, and form an internal mechanism able to cope with market competition. Commercial departments at all levels and various state-run cooperative commercial enterprises should all be self-reliant, take immediate and enthusiastic action, and concentrate their efforts on transforming enterprises' internal mechanisms so as to

improve economic returns. Third, all general departments should actively support reform of state-run cooperative commerce. They should support all moves conducive to developing socialist productive forces and should never impose old restrictions.

During his visit, Comrade Tian Jiyun also heard a report by the Chongqing city party committee and government on the implementation of the "four liberalizations" in the commercial sector, inspected commercial enterprises that actually implemented the "four liberalizations," and held discussion with managers, workers, and staff members in enterprises. Furthermore, he listened to the opinions of directors of some commercial departments and chairmen of supply and marketing cooperatives from other parts of the country on deepening commercial reform.

### State Enterprises Get Preferential Tax Treatment

OW2710160691 Beijing XINHUA Domestic Service  
in Chinese 2200 GMT 26 Oct 91

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 27 Oct (XINHUA)—The State Administration of Taxation recently issued a circular asking tax authorities in all localities to earnestly implement relevant State Council guidelines on further supporting the improvement of large and medium-sized state enterprises.

It is learned that in order to enhance the vitality of large and medium-sized state enterprises, our country has successively formulated a series of preferential tax policies in recent years, and has achieved notable results in implementing them. In particular, some policies formulated for energy, transportation, basic industries, and new and high technologies have played a positive role in creating a good external environment for enterprises. However, certain policies have not been implemented well in some localities. Hence, the State Administration of Taxation has asked tax authorities in all localities to conduct a comprehensive inspection of the implementation of various preferential tax policies. The localities are asked to resolutely and thoroughly implement those policies that have been neglected, and to ensure effective policy enforcement. The State Administration of Taxation has also asked tax authorities in all localities to firmly establish a production- and service-oriented concept and to concentrate on improving large and medium-sized state enterprises by using tax policies to promote production and increase tax revenues. While correctly implementing tax and state property policies, the advantages of various tax departments must be given full play. This includes extensive contacts, quick access to information, and know-how in enterprise financial management. Tax departments must thoroughly conduct activities at various levels and through various channels using policies that promote production and increase tax revenues and assist large and medium-sized state enterprises in restructuring themselves, in developing new products, and in raising economic efficiency.

It is reported that in order to support and encourage the development of enterprise groups and promote an optimum combination of funds, equipment, and skilled personnel, the State Administration of Taxation has decided to impose a value-added tax on enterprise groups. A product tax will not be levied on products supplied among various units within a group company that practices consolidated accounting and that has been approved by competent State Council departments, if the company does not temporarily qualify for trial implementation of the value-added tax policy. A product tax will only be levied on products sold externally, at rates to be determined by converting the ratio of tax paid by its various units to external sales volume before the group's establishment. Except for tobacco and liquor, a product tax will be levied on products that are processed by other enterprises at the request of various industrial enterprises within a group company not practicing consolidated accounting and the levied taxes are returned to the company for continuous production. Except for tobacco and liquor, product taxes will be levied at 95 percent of the original rate on taxed products subject to continuous multiple processing by the group's industrial enterprises and on processed and reworked products that fall under the same tax categories and rates as the original products. Member companies of a group made up of income tax payers under the independent enterprise accounting system will enjoy the state's original preferential policies on income tax for those taxpayers in accordance with relevant provisions.

#### **'Senior' Leader Stresses Economic Work**

HK0111094091 Hong Kong *WEN WEI PO* in Chinese  
1 Nov 91 p 2

[("Special dispatch": "Chinese Leader Speaks on Focus of Work, Lists Economic Work as Matter of Prime Importance")]

[Text] Beijing, 31 Oct (WEN WEI PO)—A senior Chinese leader recently noted: Throughout the 1990's, the major problem China needs to solve will still be the contradiction between the people's ever-growing material and cultural demands and the underdeveloped social productive forces. Only by upholding the economic construction-oriented line and vigorously developing the productive forces will we be able to overcome the various major contradictions and key problems that are prevalent in this country at present, narrow the gap between China and the economically developed countries as soon as possible, and greatly intensify and develop the socialist system.

The leader said: The CPC experienced many twists and turns before it finally reached its basic line—upholding the four cardinal principles and carrying forward reform and opening up while persisting in economic construction as the central task. The party paid a price for developing this lifeline principle ensuring the stability of the country. The Third Plenary Session of the 11th CPC

Central Committee resolutely cast away the wrong guideline of "taking class struggle as the key link" and adopted the decision that from 1979 onward the focus of work for the whole party would be shifted to the cause of socialist modernization with economic construction as its core. It was this turning point that brought about great historic changes in our state and society.

He said: We are now in the 1990's. In the next 10 years the focus of work for our party must still be socialist modernization with economic construction as its core. What particularly calls for deep thought is how we are going to further our efforts to effect a more profound shift of the focus of work and to raise this endeavor to a still higher level. It is in this sense that the CPC central authorities with Comrade Jiang Zemin as the core have provided important experience in the past two years or so. Two years ago, after that disturbance and that nationwide political rebellion, some people wondered whether the economic construction-oriented line would be changed. Their worries were not groundless. The Eighth CPC National Congress made a correct evaluation of the principal domestic contradiction at that time. But only a year later, this correct conclusion drawn at the Eighth CPC National Congress was reversed simply because of an erroneous judgment on the situation and the tasks. In 1989, the CPC was facing two struggles, one at home and the other abroad. Should the party change its focus of work? The actual development in the past two years or so has given the answer to this question. Our party has resolutely and effectively cracked down on all the sabotage engineered by elements hostile to socialism, and it has resolutely and effectively carried out the education drive on the need to uphold the four cardinal principles. At the same time, our party has also upheld the economic construction-oriented line at home. Three plenary sessions were held after the Fourth Plenary Session of the 13th CPC Central Committee. Two of them were to deal with economic problems, and the other was to find a way to make the ties between the party and the masses closer. A central work conference held not long ago was specially dedicated to discussion on further improvement of large and medium-sized state-run enterprises. All this shows that despite the extremely complicated situation, our party has on the one hand solved the issue concerning class struggle within a certain scope at home based on the principle of seeking truth from facts and, on the other hand, unswervingly upheld the economic construction-oriented political line. This is obvious evidence indicating that our party has become more mature in coping with the complicated situation emerging along with the modernization process in the new period.

This leader also noted: In the days to come, China must never deviate from this focus of work unless it is facing massive aggression by a foreign enemy. Since we used to suffer from our failure to place enough stress on the focus of work in the past, we now still need to emphasize a point—our party and all the Chinese people should continue to concentrate their attention on the modernization cause. It is necessary to concentrate resources on

economic work, which should be taken as a matter of prime importance and placed on the important agenda. All other undertakings of the party should be more efficiently run with a view to supporting economic construction as the key link.

The leader said: In the 1990's, we must devote more efforts to the development of science, technology, and education. If a locality or a sector pays attention to economic affairs alone but ignores education, it cannot be regarded as having successfully shifted its focus of work. Science and technology is not merely a kind of productive force but the primary productive force. Therefore, promoting science, technology, and education is indispensable to the shift of the focus of work.

### Central Discipline Commission on Inspection

OW0311002291 Beijing XINHUA Domestic Service  
in Chinese 0930 GMT 29 Oct 91

[“The Central Commission for Discipline Inspection Issues a Circular Calling on All Levels of Discipline Inspection Committees To Render Great Assistance to Relevant Departments on Doing a Satisfactory Job in General Inspection of Taxes, Finance, and Commodity Prices”—XINHUA headline]

[Text] Beijing, 29 Oct (XINHUA)—The Central Commission for Discipline Inspection issued a circular yesterday calling on all levels of discipline inspection committees to actively coordinate with relevant departments and greatly support them as usual in doing a satisfactory job on the 1991 general inspection of taxation, finance, and commodity prices.

The circular noted that the generation inspection of taxation, finance, and commodity prices, carried out for six consecutive years throughout the nation—that is, from 1985 to 1990—has achieved remarkable results. It has played a positive role in enforcing financial and economic discipline; rectifying economic order, ensuring the state's financial revenues; promoting economic development; improving party work style; and helping build a clean and honest government. Notwithstanding these remarkable results, the phenomena of breaching financial and economic disciplines are still serious, and cases involving party members and leading cadres breaching financial and economic disciplines are also numerous. In this connection, the State Council recently issued a “Circular on Carrying Out a General Inspection of Taxation, Finance, and Commodity Prices in 1991.” It was decided that a general inspection of taxation, finance, and commodity prices will be carried out in the nation between this October and next year's spring festival. Therefore, the circular of the Central Commission for Discipline Inspection called on various levels of discipline inspection committees to offer positive coordination and give support to relevant departments as usual for doing a good job.

The circular called on all levels of discipline inspection committees to render great assistance during the current

general inspection, earnestly implement the guiding principles as set forth in the circular of the State Council concerning the time of inspection and scope and contents of inspection. Local discipline inspection committees are called upon to help inspection groups remove difficulties encountered during the inspection. They are also urged to take the opportunity of the general inspection to educate party organization members in the units they inspect. They should urge units to willingly undergo inspection and truthfully provide information. They should help units discover problems and help them sum up experiences, draw lessons, and correct mistakes.

The circular said that during the general inspection if party members and leading cadres are found to have breached discipline, they should be sternly dealt with. In addition to punishing them according to the stipulations of the general inspection, they should be given disciplinary punishment in accordance with the regulations governing the punishment of Communist Party members who have breached discipline and violated the law in economic areas. In particular, heavy punishment should be meted out to enterprises, units, party organizations, and communist leading cadres found to have repeatedly flaunted party discipline and the state laws; their acts should never be tolerated.

The circular pointed out the need for close integration between the general inspection and the building of party style, party discipline, and a clean and honest government. It is hoped that the general inspection will help carry out education on party work style, party spirit, and party discipline; will assist party members and cadres in correctly handling the relationship between state interests, collectives, and individuals; and make them voluntarily safeguard the interests of the state and the people. The circular also urged local discipline inspection committees to work on the problems uncovered during the generation inspection and enthusiastically assist relevant departments in formulating rules and establishing systems, plugging loopholes, and strengthening building a clean and honest government. Finally, the circular called on all levels of discipline inspection committees to actively establish contacts with all levels of general inspection offices. To facilitate timely handling, local discipline inspection committees should request general inspection offices to pass on in a timely manner relevant information on cases involving party members and leading cadres who are found to have seriously breached disciplines.

### Official Details Plans for Business Tax Reforms

OW2610194891 Beijing XINHUA Domestic Service  
in Chinese 1214 GMT 25 Oct 91

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 25 Oct (XINHUA)—Jin Xin, director of the State Administration of Taxation, disclosed here today that China will substantially reform its business tax system during the next decade so that it will be more simplified,

rational, efficient, and effective in ensuring sustained, steady, and coordinated economic development.

Addressing an international workshop about tax management which closed today, Jin Xin told the Chinese and foreign attendees that China adopted a unitary business tax system which was compatible with the highly centralized planned economy before 1978. As result of the tax reform in recent years, the unitary tax system has been replaced by a complex, multilayer tax system dominated by circulation taxes [liu zhuan shui 3177 6567 4451] and income taxes. After the reform, there will be 30 types of taxes under six major categories related to circulation, incomes, resources, property-related activities, special purposes, and foreign businesses. China has now over 500,000 tax personnel, and over 30 million taxpayers paying taxes to tax authorities; and the revenues collected by tax organs have reached 300 billion yuan, or over 90 percent of all revenues.

Jin Xin said: Owing to China's rapid economic growth during the last decade or so, the nation's tax system can no longer keep pace with the development in many areas and so improvements have to be made through reform in the next 10 years. According to him, the major tax reforms will be:

Reform of the income tax system. Efforts will be made to achieve uniformity of income taxes payed by Chinese businesses, to cut tax rates, and to set proportional tax rates; and then, after these tax systems have been put to work for some time, they will be incorporated with the law governing income taxes payable by foreign-funded and foreign enterprises to produce the Income Tax Law for PRC Enterprises.

Reform of circulation taxes. Value-added taxes with simplified tax rates will be commonly levied from various industrial producers. Product taxes, as well as circulation taxes regulated by value-added taxes and product taxes, will be collected from some products requiring special regulation. Then, gradual steps will be taken to achieve uniformity between circulation taxes applicable to domestic businesses and taxes applicable to foreign-funded enterprises.

Reform of the local taxation system. Efforts will be made to establish and improve the local taxation system. Gradual steps will be taken to expand the sizes of local revenues. The scope of resource taxes will be expanded, and study will be done to impose new taxes, such as those collected from inheritance and other incomes. Certain local taxes and special taxes will be properly adjusted, simplified, and merged. At an appropriate time, urban real estate owned by foreign nationals will be taxed; taxes for automobile and boat licenses and relevant taxes collected domestically will be merged to establish a uniform local tax system.

Jin Xin said: While reforming the tax system, China will also continue to reform its ways of collecting and controlling taxes. The objective is to replace the previous system—under which one tax collector was assigned to take charge of

collecting, controlling, and auditing taxes in one plant—by a system under which three or two tax collectors will be assigned to do the jobs. Meanwhile, the system of sending tax collectors to press for taxes at enterprises will be replaced. Instead a system will be incorporated where enterprises and other taxpayers will take the initiative to pay taxes at tax organs. We will also learn from some foreign countries and take effective measures to stop as much tax fraud and tax evasion as possible.

This international workshop, which opened in Beijing on 21 October, is cosponsored by the State Administration of Taxation and the International Monetary Fund. Li Guixian, state councillor and governor of the People's Bank of China, met with the representatives.

#### Tax Body Tightens Control on Wholesalers

*HK2410121991 Hong Kong ZHONGGUO TONGXUN  
SHE in English 1140 GMT 24 Oct 91*

[Text] Beijing, October 24 (HKCNA)—A notice issued by the State Administration of Taxation asked the various taxation departments to strengthen their control on taxation applying to wholesale businesses and to harshly punish those failing to observe the law.

The notice stipulated that various local taxation departments had to strictly check entities entrusted with the collection of tax on wholesale transactions. All commercial entities and enterprises, including various companies, engaged in wholesale business, along with state-run, collective and township industrial enterprises self-marketing their own products, had to be ratified as entities commissioned to collect taxes. Qualified private enterprises and individual households had also to be ratified as entities responsible for collecting taxes to turn over to the state. Guidance and supervision had to be seriously undertaken in this matter.

The current system of tax on wholesale business transactions dates back to 1983 and has its aim the safeguarding of fair competition among various commercial businesses under equal conditions. Some localities, however, recently stopped the implementation of such taxation while some enterprises did not apply the tax in accordance with the regulations for the sake of doing business. Some industrial enterprises failed to collect taxes accordingly. All these practices provided the opportunity for unscrupulous businessmen to dodge paying taxes, put some state-run commercial enterprises at a disadvantage and resulted in a loss of state revenue.

Without the approval of the State Council, no locality or department is allowed to change the regulations regarding wholesale tax, according to the circular. Localities which have already stopped levying such a tax, had to rectify this practice immediately. Entities failing to observe wholesale business tax will be seen as tax evaders. Apart from payment of overdue taxes, entities found committing such a breach of the regulations will have to pay a fine of not more than five times the evaded tax.

**State Council Approves More Free Trade Zones**

OW0411073891 Beijing XINHUA in English  
0648 GMT 4 Nov 91

[Text] Shenzhen, November 4 (XINHUA)—China's State Council has approved the establishment of three more free trade zones in North China's Tianjin and South China's Shenzhen this year.

Two other free trade zones, in Guangzhou and Dalian, will also obtain approval in the near future, according to a meeting on the setting up of the Futian Export Processing Zone in Shenzhen.

The free trade zones will adopt more flexible policies than special economic zones. For instance, licenses for imports and exports will be waived, as will tariffs. Foreign businessmen, in addition to investment in manufacturing industries, will also be able to engage in entrepot trade, commerce, warehouse and finance.

Foreign investors have shown great interest in China's free trade zones. Some 70 overseas-funded enterprises have been set up in Shenzhen's Shatoujiao Export Processing Zone, with a contractual investment of 100 million U.S. dollars. In the newly established Futian Export Processing Zone, foreign investors have leased over half of the land already.

**Worker Innovations in State-Run Technology Encouraged**

HK2510011291 Beijing CHINA DAILY in English  
25 Oct 91 p 3

[By staff reporter Li Hong: "Workers Contribute Know-How to Recovery"]

[Text] China's state-owned enterprises will be relieved of their difficulties with the new progress in technological renovation and implementation of new inventions.

Ni Zhifu, chairman of the All-China Federation of Trade Unions, urged the factory managerial staff to encourage workers to make "realistic proposals" and conduct "creative technical experiments."

"This will help revive those State enterprises currently hampered by outdated manufacturing techniques, poor product quality and staggering inventories," the chairman said. According to a government source, one third of China's State-owned firms are in debt.

Ni made the remarks yesterday at a ceremony in the Great Hall of the People to mark the 30th anniversary of the Chinese Workers' Technological Co-ordination Association, initiated 30 years ago in Shenyang, capital of Liaoning Province.

To speed up the technological advance of State-run firms, government officials have advocated cooperation between factories, universities and research institutes, and co-ordination among workers, technical personnel and managerial staff.

In the past, the promotion or demotion of Chinese factory managers has been entirely detached from the profits made. Managers have therefore paid little attention to complaints and proposals from production-line workers which if taken into account may have improved production.

Reform brings changes. managers are now to a certain extent held responsible for their firms' profits and losses and the welfare of the workers.

To date, 68,900 workers' technological co-ordination organizations have been set up in the country, with a membership of 3.2 million, all intent on contributing ideas for technological renovation and invention.

During the past five years, Chinese workers have overcome 1.15 million technological problems and promoted 480,000 items of new technology, creating 34.3 billion yuan (\$6.6 billion) in economic returns.

The workers' organizations have also participated in construction of some key State projects, and joined in assisting the impoverished remote minority-inhabited areas.

It is reported that the Shanghai workers' technological co-ordination group alone has helped 500 poor counties in Southwest and Northwest China set up 7,000 township enterprises, which have brought about more than 1 billion yuan (\$192 million) in economic returns.

**Demand for Raw Materials Expected To Increase**

HK2710070291 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 27 Oct 91 p 1

[By staff reporter Bian Yi: "Raw Materials in Demand as Industry Gears Up for 1992"]

[Text] Demand for the sinews of industry—coal, steel, vehicles, building materials and electronic equipment—right across China, is expected to increase, accompanied by price rises, in the first half of 1992.

There would be a general balance between supply and demand of those major materials, said the Information Centre under the Ministry of Materials and Equipment Supply. But the Beijing-based CAPITAL ECONOMIC INFORMATION NEWS reported that in some areas, there would be an imbalance between supply and demand for some materials.

First, coal was likely to remain over-supplied despite increased demand during the coming cold days of winter.

Accordingly, coal prices would basically remain stable, the paper said.

However, there might be a shortage in the energy-starved provinces of Jiangsu, Zhejiang, Fujian and Guangdong due to inefficient transport arrangements, it added.

Secondly, supply of some steel products might lag behind demand from now on until the first half of next year due to a reduction in imports.

Categories likely to be short would include tinplate, cold-rolled steel plate less than 0.5 millimetres thick, cold-rolled silicon steel plate, seamless steel tubes for the oil industry, steel cables for mining, enamelled steel plate and steel plate for shipbuilding, the report said.

But no real difficulties were anticipated and steel product stockpiles looked set to be reduced in the remaining weeks of this year.

Thirdly, there would be some slippage in the balance of supply and demand of building materials, despite a predicted rise in the consumption of cement, it noted.

That would be met from a general over-supply of cement arising from the 20 percent increase in production in the January-August period this year.

It predicted that domestic demand for flat glass, asphalt felt, sanitary porcelain ware and indoor decorating materials would also increase in the remainder of this year.

There had been a three percent drop in both timber production and consumption in the January-August period due to the government's efforts to limit timber output to protect forests, cut imports and reduce consumption, the report said.

That would change during the rest of the year as consumption rose to meet the demands of rebuilding in the vast areas devastated by the floods of the summer.

Finally, famous-brand machine tools, heavy-duty trucks, forging equipment, engineering machinery and, especially, passenger cars, would sell very well as the country increased its investment in fixed assets, it said.

But the supply of electric cables, welding rods, grinding machines, tools and bearings would still exceed domestic demand.

The report said sales of sedan cars and motorcycles are expected to continue to climb up next year, especially the Santanas, manufactured in the Shanghai-based Sino-German Volkswagen plant, and Cherokees, made in Chrysler's joint venture in Beijing.

### **Eastern, Western Regions Increase Economic Ties**

HK2510004591 Beijing RENMIN RIBAO in Chinese  
16 Oct 91 p 1

[By Yang Yuguang (2799 2485 0342) and Lu Mu (7627 3668): "Our Country Expedites Lateral Economic Ties Between Eastern, Western Regions"]

[Text] Beijing, 15 Oct (RENMIN RIBAO)—In the last 10 years, the lateral economic ties between our country's comparatively economically developed eastern region and its old, minority-nationality, border, and poor western region have been gradually expedited; and minor cooperation between counterparts has developed into joint development of resources, and general technological support has developed to joint organization and

establishment of business conglomerates. Economic and technological cooperation projects have numbered over 12,000, 24,000 talented people have been exchanged, and capital has amounted to over 2 billion yuan.

Eight cities under the jurisdiction of the Jiangsu provincial government have established long-term and stable counterpart cooperative relations with 14 prefectures (autonomous prefectures) and cities of Xinjiang and 13 prefectures and cities of Guangxi. Over the past 10 years, the province has supported some 2,700 projects of Xinjiang and Guangxi and helped train over 8,000 technicians. Jiangsu and Xinjiang concluded 30 cooperation projects in textile industry, light industry, and education last year.

Shanghai has established multichannel and multilevel lateral economic ties with Yunnan, Xinjiang, Tibet, and Ningxia. Over the past 10 years, they have completed some 1,800 projects of scientific, technological, and economic cooperation, including offering scientific and technological advice, transferring technological achievements, developing resources, and jointly funding operations. Shanghai has helped train over 10,000 talented people and made investments of some 200 million yuan.

Led by Mayor Nie Bichu, a Tianjin municipal delegation has recently visited the northwestern region to conduct investigations, and the delegation concluded some 290 projects of cooperation in lateral ties with Shaanxi and Gansu Provinces and Xinjiang Region. Beijing Municipality and Shandong, Zhejiang, and Fujian Provinces have vigorously contributed to Tibet's construction and the western region's development.

Provinces, including Shandong and Guangdong, have made arrangements to help their poor counterparts within the provinces. Shandong has made arrangements in six cities of the eastern region to help seven poor counties in the mountain areas of Yi Shan and Meng Shan. Over the past few years, Shandong has completed some 600 projects of cooperation and made arrangements for the employment of 23,000 people, and profits and taxes have amounted to 44 million yuan.

### **Financial Monthly Begins Publication in Beijing**

OW2710055791 Beijing XINHUA Domestic Service  
in Chinese 0617 GMT 26 Oct 91

[Text] Beijing, 26 Oct (XINHUA)—ZHONG GUO JIN RONG XIN XI [0022 0948 6855 5816 0207 1873], China's first comprehensive economic monthly, which will serve mainly for the release and relay of financial information, officially began publication in Beijing recently.

The magazine ZHONG GUO JIN RONG XIN XI is published under the auspices of the JIN RONG SHI BAO press office. The publication, which caters to all of society, will make an accurate and timely release and relay of important international and domestic financial and economic information, such as macrofinancial trends and the direction of development. It will periodically carry quotations on shares and bonds from various stock exchanges and markets. In view of the demands of the national economic situation, industries, the business sector, and enterprises, it will also carry timely reports on trends of supply and the demand for funds in various localities.

**East Region****'Severe Drought' Reported in Anhui Province**

OW0311160791 Beijing XINHUA in English  
1341 GMT 3 Nov 91

[Text] Hefei, November 3 (XINHUA)—A severe drought is hitting east China's Anhui Province, which had suffered an extraordinarily serious flood not long before.

The drought has seriously hindered autumn planting in Anhui, and by the end of October only 1.47 million hectares (ha) or 65 percent of the land available for summer crops had been sown. In addition, 600,000 ha, or 75 percent, of the rape land had been sown.

Most areas in the province, the country's major wheat and rapeseed producing area, have had very little rain since the middle of September. Thus far, the total land affected by the drought has reached 1.8 million ha, especially areas in the Huaihe River valley.

The province has mobilized its residents to fight the drought in an effort to complete the autumn sowing.

The provincial meteorological department predicts that the November rainfall will also be less than normal.

**Shandong Drafts Five-Year Renovation Plan**

SK0111090391 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 31 Oct 91

[Text] The leap-forward plan formulated by the provincial party committee and the provincial people's government for the Eighth Five-Year Plan was approved on 30 October at the provincial work conference on technical renovations. Targets in the province's leap-forward plan include: By the end of the Eighth Five-Year Plan period, 50 out-dated enterprises will be improved to the high-new technological standards; 200 backbone enterprises that can earn \$5 million in foreign exchange from exports annually will be established; 80 key products of famous trademark, fine quality, and special and new styles will be increased; 10 imported advanced technologies will be assimilated; and 50 sample enterprises that can apply microelectronic technology to renovate their traditional production will be established.

To fulfill the leap-forward plan for the Eighth Five-Year Plan, the provincial party committee and the provincial people's government urge party committees and governments at all levels to put this work on their important daily schedule and establish responsibility systems to ensure the implementation of the leap-forward plan. In implementing the leap-forward plan, enterprises should formulate statements or the letters of proposal for all investments no matter how large or small, which should be examined at every level and then submitted to the provincial economic commission that can approve them jointly with the bank. Efforts should be also made to enhance the scientific formulation of policy decisions on the renovation projects. No department can work on

projects that have not been valued or appraised. In carrying out the projects, we should not only ensure their advanced high standard technologies and good economic results but also avoid carrying out the projects blindly, going in for grandiose projects, and seeking a Western way to do the projects. The projects of the leap-forward plan should be classified in line with the namelist of enterprises, and efforts should be made to do away with the demarcation line among industries and trade and to enforce the management in keeping with appropriate trade or sector. After having approved the fiscal plan, a good job should be done in organizing all units to implement it, conducting an acceptance test, and giving awards or punishments.

The provincial work conference on technical renovations opened in Laizhou city on 26 October.

**Wu Bangguo, Huang Ju Address Study Class**

OW0211061191 Shanghai People's Radio Network in Mandarin 2300 GMT 29 Oct 91

[From the "Morning News" program]

[Text] To accelerate the development of Pudong and to run large and medium state-owned enterprises well are two important policy decisions made by the Central Committee and the State Council, as well as Shanghai's two major tasks in the 1990's; therefore, the central government's units in Shanghai should resolutely implement these central authorities' strategic policy decisions and offer advice and do all they can for Shanghai's development. This is the common understanding reached at a study class, sponsored by the Shanghai Municipal CPC Committee and the Shanghai municipal government, for the responsible persons of some central government units in Shanghai.

The study class, held on 28 October and 29 October, was one of a series of study classes which the municipal party committee and the municipal government decided to run. Earlier, some study classes had already been held successively for the party committee secretaries of districts, counties, and major departments, and for the directors of some commissions, offices, and bureaus.

The attendees to the latest study class included Wu Bangguo, secretary of the municipal party committee; Huang Ju, mayor of Shanghai Municipality; Chen Tiedi, deputy secretary of the municipal party committee; Wang Liping, member of the Standing Committee of the municipal party committee; and Gu Chuanxun, Ni Tianzeng and Zhuang Xiaotien, vice mayors of Shanghai. Wu Bangguo, Huang Ju, and Chen Tiedi addressed the study class.

**First Enterprise in Jinqiao Zone Operational**

OW3010213591 Beijing XINHUA in English  
1619 GMT 30 Oct 91

[Text] Shanghai, October 30 (XINHUA)—Shanghai No. 2 Aluminum Products Manufacturer began operation

here today, the first to begin production in the Jinqiao Export Processing Zone in the Pudong New Area.

The Jinqiao Export Processing Zone is located in the center of the three pioneering development zones at Shanghai's Pudong new development area. Plans call for the development an area of 8.9 sq. km and the development of a four sq. km area to be finished in the first phase of the project.

The area of the Shanghai No. 2 Aluminum Products Factory has been enlarged 10 times since it was moved into the Jinqiao Processing Zone.

A Shanghai municipal government official said the capacity of the manufacturer will be 5,800 tons of aluminum products and new types of materials of aluminum alloy, which can provide aluminum products of high quality for the country's food, packaging, household appliances and Santana cars and other industries.

The official said that the Jinqiao Export Processing Zone has been developing rapidly for more than one year. Two power substations and distribution stations with a total of 35,000 volts have been built. A communication system with about 2,000 program-controlled telephones has been opened and another 120 international program-controlled telephones will be opened within the year.

So far more than 20 foreign enterprises from the United States, Britain, Japan, Sweden and other countries and regions have signed letters of intent. Their promised total investment has reached 120 million U.S. dollars.

The official said that a garment factory, the first one funded by Japanese capital in Jinqiao, will start production by the end of this year. Another five joint-ventures will start construction as well.

#### Wholesale Market for Industrial Products Opens

OW3110090991 Beijing XINHUA in English  
0804 GMT 31 Oct 91

[Text] Shanghai, October 31 (XINHUA)—A wholesale market for industrial products, the first of its kind in Shanghai, opened here today.

The market is aimed at improving the circulation links in commodity wholesale, developing economic co-operation and carrying out the combination of planned economy with the market regulation in the wholesale market.

Located in an area where there are offices of many other provinces and cities, the "Quyang Wholesale and Transaction Market" has ties with more than 70 enterprises and factories all over the country, which poured more than 20 million-yuan worth of goods into the market on the very day of its opening. These products include nearly 10,000 varieties in 60 groups including household electric appliances, hardware and daily commodities and stationery, clothing, shoes and caps, building decorations, cigarettes, wines and candy and various fruits.

The market is also involved in the retail business and other services.

Costing six million yuan to build, the market covers an area of 25,000 sq m.

It was constructed with the efforts of the Shanghai municipal supply and marketing co-operatives, the city's No. 1 Commercial Bureau and the municipal commercial construction company.

#### Shanghai Plans To Establish Chamber of Commerce

OW0111111791 Beijing XINHUA in English  
0654 GMT 1 Nov 91

[Text] Shanghai, November 1 (XINHUA)—Shanghai, the biggest industrial city in China, is planning to found a Chamber of Commerce in order to meet the needs of the current reform of commercial administration and commodity circulation.

The chamber will be set up on the basis of the present Preparation Committee of the Federation of Shanghai Commercial Associations.

The chamber is expected to help implement the economic regulations and policies of the government. It will be involved in working out commercial development plans and reforming the circulation system. It will also play an advisory role for the city government in commercial work.

**Taiwan Anti-Crime Delegation Arrives in Beijing**

OW0311160991 Beijing XINHUA in English  
1455 GMT 3 Nov 91

[Text] Beijing, November 3 (XINHUA)—A delegation from Taiwan Province led by Chen Charng-ven, secretary general of the Foundation for Exchange Across the Taiwan Strait [Straits Exchange Foundation], arrived in Beijing by air from Hong Kong this afternoon.

Speaking at the airport, Chen told reporters that his visit aims to enhance cooperation between Taiwan and the mainland and to reduce crimes at sea.

Meanwhile, he said he will also discuss with his mainland counterparts reciprocity agreements on the notarization of documents and the functioning of judicial organs.

He noted that such cooperations will abet the reunification of China.

During his five-day stay in Beijing, Chen will hold talks with chief officials of the Taiwan Affairs Office of the State Council and with related ministries and departments.

**'Important Consensus' Reached**

OW0411094891 Beijing XINHUA in English  
0853 GMT 4 Nov 91

[Text] Beijing, November 4 (XINHUA)—The Chinese mainland and Taiwan reached an important consensus here today on fighting piracy and smuggling in the Taiwan Strait.

This news was released by Tang Shubei, deputy director of the Taiwan Affairs Office under the State Council, after he met with Chen Charng-ven, secretary-general of the Foundation for Exchange Across Taiwan Straits [Straits Exchange Foundation], this morning.

Chen, together with a delegation from the foundation, came to Beijing yesterday afternoon.

Tang said both sides agreed maritime crime problems should be solved under the principle of "One China" and that it is necessary for the two sides to cooperate in fighting piracy and smuggling in the Strait.

**Independence Activists 'Doomed to Tragic End'**

HK2810075591 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1242 GMT 21 Oct 91

[“Special feature” by Li Xiaozhun (2621 1321 6150): “Farce Staged by Taiwan Independence Federation Is Doomed to Tragic End”]

[Text] Hong Kong, 21 Oct (ZHONGGUO TONGXUN SHE)—At a time when the Taiwan Democratic Progressive Party's [DPP] “clause on Taiwan independence” is being heavily condemned by people in all circles on the island, the Taiwan Independence Federation [TIF]

moved its headquarters to Taiwan after 20 years of hard work overseas, while asserting that its Taiwan independence campaign had entered an “implementation” period, as if a “revolution for Taiwan independence” were coming. But it can be predicted that the TIF will not take root in Taiwan after moving its headquarters to the island. The moving of its headquarters to Taiwan is only the beginning of a “farce” which is doomed to a “tragic” end.

The TIF's headquarters were originally in the United States. The efforts by a handful of Taiwan independence elements over more than 20 years to solicit overseas support for “Taiwan independence” have barely won sympathizers. In addition, this organization has been denounced as a terrorist group by the California judicial department. It is spurned by Taiwan civilians for its several acts of violence inside and outside Taiwan, including arson and bombings. These Taiwan independence elements, who insist on splitting the country, drew up a plan to set up TIF headquarters in Taiwan by taking advantage of a change in Taiwan's political situation.

Kuo Pei-hsiung, chairman of TIF headquarters in the United States, who is now in detention, sneaked into Taiwan in 1989. This was the first attempt to establish TIF headquarters in Taiwan. In January 1990, the TIF Central Committee adopted a formal resolution on “moving its headquarters to Taiwan within two years.” In July of the same year, another Taiwan independence activist named Li Ying-yuan also sneaked into Taiwan from the United States to arrange for the “moving of TIF headquarters to Taiwan.” After a series of secret preparations, “TIF headquarters” was finally established in Taiwan on 20 October.

This TIF farce is another evil wave for Taiwan independence subsequent to DPP's inclusion of the “Taiwan independence clause” in its party program. There is no difference between this atrocity and the DPP proposal for Taiwan independence but, what is noteworthy, the TIF has gone further than the DPP in detailed measures to pursue Taiwan independence. At the commencement meeting, TIF Secretary General Wang Kang-lung announced that the campaign to establish the Taiwan state had entered an “implementation” period; in the future, the TIF will concentrate its efforts on “advocating Taiwan independence” and “organizing and training civilians” in carrying out a nonviolent revolution. From this we know that the TIF is going against public wishes in both words and deeds; it is playing a sinister trick with “Taiwan independence.”

But it is difficult for a political movement to succeed without popular support. The DPP's “Taiwan independence clause” has met with strong opposition from all corners of Taiwan. It can be predicted that this Taiwan independence wave stirred up by the TIF will also suffer severe blows from Taiwan civilians and the consequences it will face will be more disastrous than the DPP's “Taiwan independence clause.”

**Anti-Crime Delegation 'Might Meet' Li Peng**

HK0411014891 Hong Kong *SOUTH CHINA MORNING POST* in English 4 Nov 91 p 11

[By Willy Wo-lap Lam]

[Text] A senior Taiwan delegation visiting Beijing could meet a top Chinese official to discuss ways to diffuse the bilateral crisis over the island's pro-independence movement.

The agenda for the high-level delegation from the quasi-official Straits Exchange Foundation, which arrived in the Chinese capital yesterday, is to seek joint efforts to curb crime in the Taiwan Strait, including piracy, smuggling, and illegal immigration.

Heading the group is the organization's secretary-general, Dr Chen Charnven, who is known as Taipei's unofficial envoy to China.

Sources in Taiwan said the Chinese Premier, Mr Li Peng, might meet the delegation to express Beijing's alarm over the expanding pro-independence movement.

And Dr Chen, a confidant of Taiwan's Premier, Mr Hau Pei-tsun [Hao Po-tsun], could use the opportunity to stress the ruling Kuomintang's determination to clamp down on the secessionist crusade.

Speaking before his departure yesterday, Dr Chen said: "There is a need for the two sides of the Taiwan Strait to discuss a number of problems confronting each other."

He said preliminary talks would begin today with officials from the Taiwan Affairs Office of the State Council. Topics to be discussed included crime prevention, investigation and exchange of information.

"We will also discuss ways to settle sea disputes between people from the two sides, humanitarian visits, judicial aid, document verification and extradition of suspects," Dr Chen said.

But the delegation would steer clear of discussions on the independence movement, he added.

Diplomatic analysts say the Taipei authorities have made it clear that the foundation's frame of reference be restricted to "technical matters" and that the body has no brief to discuss political issues such as reunification.

However, during Dr Chen's previous visit to Beijing, in April, Chinese leaders, including the Vice-Premier, Mr Wu Xueqian, pressed the delegation on ways to speed up reunification.

"With both sides of the Taiwan Strait embroiled over the independence issue, a top official like Li Peng may meet the delegation to deliver a stiff warning," a source in Taiwan said.

And the visitors might try to persuade Beijing to reduce the vehement verbal attacks it had launched against Taiwan's ruling party, the source added.

Dr Chen said his delegation would also address Chinese officials on behalf of Taiwan's cabinet-level Mainland Affairs Council, but gave no further details.

He said he would try to determine whether Beijing was prepared to set up a nominally private body to deal with the exchange foundation.

Analysts say that if such a quasi-official body were set up by Beijing, it would represent a concession by the Chinese, who have tried to push Taipei to begin "government-to-government" talks.

The Taiwan media has reported that the head of the new body would be the vice-director of the Taiwan Affairs Office, Mr Tang Shubei, who is the official host of the visiting delegation.

The foundation's delegates will also meet officials from the People's Supreme Court, the People's Supreme Procuratorate, the Justice Ministry, the Public Security Ministry and the Chinese Red Cross.

**Outgoing Official Views Hong Kong Activities**

HK0111033691 Hong Kong *THE STANDARD* in English 1 Nov 91 p D-5

[By Terry Cheng]

[Text] Taiwan must try not to exceed the limits imposed on its activities in Hong Kong too much, said Taipei's outgoing information chief, even though the Government has lately begun to accept a larger Taiwanese presence in the territory.

"It is a good thing that various people from Taiwan are allowed to come to Hong Kong and there is more standing room for Taiwan here," said Shieh Jung-how, 45, director of the Free China Review, which represents Taiwan's government information office in Hong Kong.

Recently, public figures from Taiwan, including government officials, were allowed to visit Hong Kong and Taiwan banks approved to set up branches.

However, Mr. Shieh said Taiwan should not try to exceed "the limits".

As no official ties exist between London and Taipei, Taiwan's representatives have been maintaining a low profile here.

XINHUA NEWS AGENCY, the mainland's official representative office, has objected to any Taiwanese activity of an official nature.

"Hong Kong is still the colony of Britain and under the influence of Beijing," Mr. Shieh said.

His comments appeared to be pointed as Taipei's new top man in Hong Kong. John Ni, has been assuming an increasingly high profile since his posting here in early September.

Mr. Ni, representing Taiwan's Mainland Affairs Council and Foreign Ministry, said last week he would like to meet Zhou Nan, the director of XINHUA.

Having seen changes in Hong Kong in his 11 years on the job, Mr. Shieh said he was optimistic about the territory's future. He said Hong Kong would not necessarily be affected by developments on the mainland after 1997.

"The mainland has not experienced the drastic changes in the Soviet Union and East Europe. Chinese communism may not change Hong Kong. Hong Kong will still be Hong Kong," he said.

Mr Shieh said that with the continuous presence of international forces after 1997, and with the Chek Lap Kok airport project seeking to attract foreign investment, Hong Kong should be able to maintain a higher standard than the mainland.

"Compatriots of Hong Kong should not panic. They shall be able to overcome difficulties if they insist on their way of living, principles and beliefs," he said.

Mr Shieh, who had lived in Hong Kong before going to Taiwan to pursue tertiary education, said he had much admiration for Hong Kong people.

"On the surface, they are very apathetic and lack nationalistic feeling. But in the heart, they are very warm and concerned with the nation," he said.

To illustrate, he cited the locals' support of the pro-democracy movement on the mainland in 1989 and their enthusiastic contribution to a relief fund for mainland flood victims this summer.

He praised the British administration for laying a stable foundation for Hong Kong and the local people's efficiency.

Meanwhile, he said "The Kuomintang leadership in Hong Kong comprises mainly of Guangdong natives. They are rather passive and inactive, but they have helped considerably to cement the (pro-Taiwan) people here."

Taiwan's representatives in Hong Kong should forge ties with the grassroots as well as the upper strata.

"It is wrong to only cultivate clout in the upper strata like what Xu Jiatur (former XINHUA director) did," he said.

#### Premier on Economic Strength Vis-a-Vis Mainland

OW3010083291 Taipei CNA in English 0747 GMT  
30 Oct 91

[Text] Taipei, Oct. 30 (CNA)—The Republic of China on Taiwan is economically stronger than Mainland China, Premier Hao Po-tsung said Tuesday.

Speaking at a Legislative Yuan answer-and-question session, Premier Hao explained that Taiwan's per capita income is 20 times that of the mainland.

The premier further pointed out that the mainland's annual gross national product (GNP) is barely double Taiwan's even though its land area is 300 times that of Taiwan and its population outnumbers Taiwan's 60 to one.

Economic strength is vital to a country's survival, Hao noted. As long as the Taiwan economy remains dynamic and bullish, he stressed, the Republic of China will certainly play an active role in world arenas in spite of Peking's effort to isolate Taiwan from the international community.

#### Chiang Kai-shek's Birthday Marked Across Island

OW3110103591 Taipei CNA in English 0749 GMT  
31 Oct 91

[Text] Taipei, Oct. 31 (CNA)—A series of ceremonies were held today around the island to commemorate the 105th birthday of the late President Chiang Kai-shek.

The central government held a ceremony at the Presidential Office at 9 A.M. to commemorate the late Chinese leader with President Li Teng-hui officiating.

Premier Hao Po-tsung delivered a speech at the ceremony on the late president's philosophy and preknowledge of Free China's eventual victory over communism.

The ceremony was attended by more than 400 people, including members of the Chiang family, government officials, civic leaders, and Overseas Chinese representatives.

At 10 A.M., some 3,000 Overseas Chinese gathered at the Chiang Kai-shek Memorial Hall to show their respect to the late president. Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission, presided over the gathering.

Government leaders also visited Tzu-hu, Taoyuan County, seat of the mausoleum of the former Chinese leader, to pay their homage to him in the morning.

Similar commemorative activities were held throughout the island, including Kaohsiung and Taipei cities.

#### Editorial Marks Holiday

OW3110181291 Taipei CNA in English 1358 GMT  
31 Oct 91

[Editorial published 31 October in EXPRESS NEWS, a CNA newspaper: "President Chiang's Birthday"]

[Text] Taipei, Oct. 31 (CNA)—Chiang Kai-shek was born on October 31, 1887, into a moderately prosperous merchant and farmer family in Chekiang. After a military education, he joined the Kuomintang that toppled the Manchu Dynasty and founded the Republic of China. He unified China, divided after the death of Yuan Shi-kai. He led China in the war of resistance

against Japan from 1937 to 1945 and served as president from 1948 until his death in Taipei on April 5, 1975.

We are observing his birthday as a national holiday today.

There is more than ample reason why we should mark the birthday of the former president. He was the leader who made republican China one again, at least nominally, following Yuan's monarchical attempt that divided the country. He defeated the Japanese invasion of China. He paved the way for Taiwan's prosperity.

Chiang Kai-shek was defeated by the communists on the mainland of China. Among the reasons for his defeat, one frequently cited is the corruption that he countenanced in his government. That is unfair. Corruption is a normal concomitant of most governments. Nor can his defeat be ascribed to personal failings alone. His defeat, in historically perspective, is not the defeat of his own making. The defeat was inevitable. Whoever was the head of government in China, utterly bankrupt after eight long years of war against Japan, simply had to lose.

Chiang Kai-shek is a modern China personified. He adhered to tradition. He was Confucian as well as Christian. Soldier and politician, revolutionary and traditionalist, anti-communist with a Leninist bias, Chiang embodied the crosscurrents and confusion of a transitional period in Chinese history.

And the people on Taiwan have all the more reason to celebrate the 104th birthday of President Chiang Kai-shek. He made land reform in Taiwan successful. The successful land reform launched Taiwan on its way to rapid modernization. Under his leadership, the people on the island worked hard to achieve an economic miracle of the century.

Let us remember President Chiang Kai-shek for what he did for China and Taiwan.

#### Security Bureau Linked to Foreign Relations Group

OW2910193491 Taipei Domestic Service  
in Mandarin 2300 GMT 28 Oct 91

[From the "News" program]

[Text] Revealing an alleged photocopy of a National Security Bureau internal document, Hsieh Chang-ting, a legislator from the Democratic Progressive Party, yesterday accused the Republic of China [ROC] Foreign Relations Association, to be inaugurated next January, of actually being a peripheral organization run by the secret service unit to crack down on intellectuals and the students' movement; and the National Security Bureau of being the backstage sponsor of the organization. According to the photocopied document, however, the alleged peripheral organization of the National Security Bureau is affiliated to the 21st Century Foundation under the name of International Affairs Association, not the ROC Foreign Relations Association.

In response to the accusation, Foreign Minister Chien Fu [Frederick Chien] said in the Legislative Yuan that he was surprised at the revelation and that he did not believe the two associations were necessarily associated.

Hsu Chi-ming [Steve Hsu], vice chairman of the Foreign Ministry's Research and Planning Committee, who played a major role in setting up the preparatory committee for the Foreign Relations Association, said that the association is purely a non-governmental organization having nothing to do with the National Security Bureau and that the association will not accept any financial aid from government organizations in the future.

Education Minister Mao Kao-wen, commenting on the alleged involvement by the National Security Bureau in setting up the ROC Foreign Relations Association, said that no other objective should be achieved in the name of academic freedom. He added that he had no information on hand and will find out the truth about this matter.

Sun Chen, president of National Taiwan University who has been elected as the convener of the preparatory committee, said he was astounded at the revelation.

#### Trade Mission To Seek 'Opportunities' in SRV

OW3110101191 Taipei CNA in English 0758 GMT  
31 Oct 91

[Text] Taipei, Oct. 31 (CNA)—A Republic of China [ROC] trade mission will leave for Vietnam in mid-November to seek trade opportunities there, the Ministry of Economic Affairs (MOEA) said today.

The trade mission will include delegates of both public and private enterprises, MOEA said.

The public enterprises include Taiwan Sugar Corporation, Taiwan Salt Works, and Taiwan Fertilizer Company; private enterprises include shoe, textile, plastics and electronics firms.

S.Y. Chen, deputy director of the MOEA's Industrial Development Bureau, said that MOEA is planning to help local manufacturers in traditional industries to expand trade in the Southeast Asian country.

Chen said Vice Economics Minister P.K. Chiang led an official trade group to an ROC-Vietnam economic cooperation conference last month and a bilateral investment guarantee agreement, a breakthrough of trade relations between the two countries, is expected to be signed soon.

#### Invitation To Attend APEC Meeting Received

OW3110104091 Taipei CNA in English 0740 GMT  
31 Oct 91

[Text] Taipei, Oct. 31 (CNA)—Economic Affairs Minister Vincent Siew will lead a Republic of China [ROC] delegation to attend the Nov. 12-14 Asia-Pacific Economic Cooperation forum (APEC) conference in Seoul, Korea, officials said.

They said conference organizers had formally invited the Republic of China to send a delegation to the regional economic cooperation meeting.

The invitation was sent to the ROC Embassy Wednesday, which then faxed the message to the Ministry of Foreign Affairs, the sources noted.

Also being invited are Hong Kong and Mainland China. A ranking Foreign Ministry official said the government does not expect to see any "political action" during the conference.

#### **Siew To Meet Japanese Counterpart**

*OW0111101891 Taipei CNA in English 0744 GMT  
1 Nov 91*

[Text] Taipei, Nov. 1 (CNA)—Japan should tackle Sino-Japanese trade issues with sincerity and in a pragmatic manner, Economic Affairs Minister Vincent Siew said Thursday.

Siew's call came amid reports that the Japanese minister of international trade and industry hopes to meet his Republic of China [ROC] counterpart face-to-face to discuss bilateral trade issues during the forthcoming annual conference of the Asia-Pacific Economic Cooperation (APEC) forum in Seoul.

Siew, who will head the ROC delegation to the Nov. 12-14 APEC meeting, said he is more than willing to meet his Japanese counterpart for trade consultations.

Such kind of high-level meeting between Taiwan and Japan is long overdue, Siew said. The proposed ministerial-level meeting will be the first since Taipei and Tokyo suspended diplomatic relations in 1972.

It is still unclear who will be Japan's new international trade and industry minister. Kiichi Miyazawa, who has won the presidency of Japan's ruling Liberal Democratic Party, is expected to announce the line-up of his cabinet after he is elected prime minister by the Diet next Tuesday.

Siew expressed his hope that the new Japanese cabinet will actively work to help narrow the ever-widening trade gap between the two countries.

Taiwan has long suffered huge trade deficits with Japan and the figure is expected to reach a high of \$9 billions this year.

"I hope the Japanese will be more active in trying to resolve the nagging trade imbalance issue," Siew said.

The minister stressed that close and harmonious Sino-Japanese economic relations are vital and beneficial to both countries. He urged Japanese authorities to help in good faith balance bilateral trade for the mutual advantage of both countries.

#### **President Li Receives Tuvalu Governor General**

*OW3110103691 Taipei CNA in English 0753 GMT  
31 Oct 91*

[Text] Taipei, Oct. 31 (CNA)—President Li Teng-hui Wednesday received the visiting Governor-General Toaripi Lauti of Tuvalu and his wife at the Presidential Office.

President Li warmly welcomed Lauti to the Republic of China, and hoped his visit will further strengthen cooperation between the two countries.

Lauti and his wife arrived in Taipei Sunday for an eight-day visit.

#### **Estonian Economics Minister Schedules Visit**

*OW3110103791 Taipei CNA in English 0755 GMT  
31 Oct 91*

[Text] Taipei, Oct. 31 (CNA)—Mehis Pilv, foreign economic affairs minister of Estonia, is scheduled to lead a delegation to Taipei in early December, the Ministry of Foreign Affairs confirmed Wednesday.

Pilv will be the first Baltic ministerial official to visit Taiwan after the three Baltic states seceded from the Soviet Union in August.

Officials with the China External Trade Development Council, a quasi-official trade promotion body, visited Estonia last July to explore trade opportunities between the two countries.

The Republic of China is planning to dispatch a mission next month to the three Baltic states to strengthen cooperation between the two sides, sources said.

#### **'Step Forward' Seen in Ties With France**

*OW0111102191 Taipei CNA in English 0738 GMT  
1 Nov 91*

[Text] Taipei, Nov. 1 (CNA)—Relations between the Republic of China [ROC] and France will take a significant step forward as the French Government has tentatively agreed to upgrade Taipei's representation in its territory, according to reports from Paris which reached here Thursday.

Quoting Chiou Jong-nan, director of the Association Pour la Promotion des Echanges Commerciaux et Touristiques Avec Taiwan (A.S.P.E.C.T.) Paris, the report said the ROC representative office in France will soon be upgraded.

Chiou said the French Government is "seriously" considering an ROC proposal to have its representative office renamed either the "Taipei Permanent Mission" or the "Taipei Delegation" in Paris. A.S.P.E.C.T. represent ROC interests in France in the absence of diplomatic relations.

The new name will hopefully enhance Taipei's presence in France and symbolize closer Taipei-Paris ties, Chiou noted.

He told a press group from Taipei that France is the first European country to publicly express its support for Taipei's accession to the Geneva-based General Agreement on Tariffs and Trade.

Chiou said France has shown keen interest in bidding for construction contracts included in Taiwan's ambitious six-year National Development Plan and has sent high-ranking officials to visit Taipei to promote bilateral trade and economic cooperation.

Chiou further said that the long-stalled negotiations on the establishment of direct Taiwan-French air links may also be resumed in the near future.

Sources close to the Ministry of Transportation and Communications said today that China Airlines and Air France will, on behalf of the ROC and French Governments, discuss the exchange of aviation rights between the two countries.

The sources said the French Government has agreed "in principle" to the opening of direct Taipei-Paris flights. Air France, the French national flag carrier, is reportedly making a comprehensive evaluation of the economic value of the new route and will start to negotiate with China Airlines on technical details next week.

If all goes well, the sources said, direct Taipei-Paris flights may be inaugurated next April.

#### **Editorial Views Middle East Peace Conference**

*OW3010154991 Taipei CNA in English 1419 GMT  
30 Oct 91*

[Text] Taipei, Oct. 30 (CNA)—The following editorial appeared in Wednesday's EXPRESS NEWS, a daily newspaper published by Central News Agency.

#### **A Middle East Conference**

Israeli Prime Minister Yitzhaq Shamir sits down with Arab leaders to start a three-day conference in Madrid today. The

first direct negotiations between Israelis and Arabs in 17 years are a major US diplomatic achievement.

The last negotiations, made possible by the United States, settled differences after the end of the Arab-Israeli war of 1973. Whether the Madrid meeting will restore peace in the Middle East depends on how both sides make compromises, which seem altogether impossible.

As a matter of fact, the most important participants in the Middle East conference—Israel, Syria and the Palestinians—go to Madrid largely because US President George Bush and Soviet President Mikhail Gorbachev have issued an invitation they cannot refuse. The conferees are there not because they are ready to make the painful compromises.

It will take years to turn a peace conference into a peace agreement. The feud that has existed since the time of Abraham certainly cannot be settled overnight.

Even just after the partition of Palestine in 1948, the Israelis and the Arabs have fought three wars, none of which settled their actual or perceived grievances.

The 1948 war established Israel, but created the problem of Palestinians. Israel won the Six Days' War in 1967, but gave rise to a militant Palestine Liberation Organization. The 1973 Arab-Israeli war ended with Menacham Begin signing a separate peace treaty with Anwar Sadat, but Egypt remained a pariah among the Arabs for more than a decade.

But the wars have forced Israel and its Arab neighbors to reach the same conclusion that war cannot solve their problem. That was why Israel, repeatedly provoked by Iraq in the Gulf war, did not resort to force of arms in retaliation. All Middle East protagonists are ready to sue for peace, though it may not be readily available.

The United States has provided them a timely forum. The Madrid conference marks the beginning of a new era in Arab-Israeli relations.

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